

## EXHIBIT C-4

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COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF THE SECRETARY OF THE COMMONWEALTH  
SECURITIES DIVISION  
ONE ASHBURTON PLACE - 17TH FLOOR  
BOSTON, MASSACHUSETTS 02108

*In The Matter of:*

*TELEXFREE*

*Docket No.:  
2014-0004*

ON THE RECORD INTERVIEW OF GILSON NASSAR, a witness  
called by and on behalf of The Office of The Secretary  
of State, Securities Division, before Donna M. Botsch,  
a Professional Court Reporter and Notary Public within  
and for the Commonwealth of Massachusetts, at One  
Ashburton Place, Boston, Massachusetts 02108.  
Commencing on Thursday, March 13, 2014, at 10:00 a.m.

**COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF THE SECRETARY OF THE COMMONWEALTH  
SECURITIES DIVISION  
ONE ASHBURTON PLACE, ROOM 1701  
BOSTON, MASSACHUSETTS 02108**

_____	) SUBPOENA
IN THE MATTER OF:	) AD TESTIFICANDUM
	)
TELEXFREE	)
_____	) Docket No.: 2014-0004

**CERTIFICATE OF SERVICE**

I hereby certify that on this date I caused a true and accurate copy of the attached subpoena to be submitted for service in the manner set out below:

Gilson Nassar  
7 Bowers Landing Drive, 106  
Merrimack, NH 03054

*[Via Certified Mail Return Receipt Requested & First Class Mail]*

  
Timothy O'Hara  
Enforcement Section

Dated: February 12, 2014

A P P E A R A N C E S

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COUNSEL FOR: Gilson Nassar

ALSO PRESENT:

Jane Lamb-Ruiz, Portugese Interpreter

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P R O C E E D I N G S

Thursday, March 13, 2014

10:26 a.m.

MR. O'HARA: Good morning, we're on the record. Today is Thursday, March 13<sup>th</sup>, 2014, and the time is 10:25 a.m. This morning we're on the record, we have an interpreter with us today, so let's begin by swearing in the interpreter.

(Whereupon the interpreter was sworn by the Notary Public)

MR. O'HARA: For the record, my name is Timothy O'Hara, I'm an attorney in the Enforcement Section of the Massachusetts Securities Division, and with me today from the Division are, at the end of the table here, Patrick Ahearn, the Enforcement Section's Chief of Enforcement, to my left is Anthony Leone, also an attorney in the Enforcement Section of the Massachusetts Securities Division, and to Anthony's left is William Neelon, also an attorney in the

1 Massachusetts Securities Division.

2 MR. AHEARN: Could you interpret  
3 that for him?

4 THE INTERPRETER: Oh, I didn't  
5 realize I was supposed to be interpreting,  
6 sorry.

7 MR. AHEARN: Would you go through  
8 it again?

9 MR. O'HARA: I'll go through it  
10 again, excuse me, first time.

11 MR. AHEARN: And just for the  
12 record, Madam Interpreter, would you just  
13 identify yourself for the record?

14 THE INTERPRETER: Yes, Jane Lamb-  
15 Ruiz.

16 MR. AHEARN: Thank you.

17 MR. O'HARA: Thank you. Once  
18 again, my name is Timothy O'Hara, an attorney  
19 in the Enforcement Section of the  
20 Massachusetts Securities Division. Also with  
21 me is Patrick Ahearn, the Enforcement  
22 Section's Chief of Enforcement. To my left  
23 is Anthony Leone, an attorney with the  
24 Massachusetts Securities Division. And also

1 with us is William Neelon, also an attorney  
2 with the Massachusetts Securities Division.  
3 To begin with, Mr. Nassar, we have just some  
4 ground rules that will cover the interview  
5 today. First of all, as we have an  
6 interpreter with us, please wait for the  
7 entire question to be asked by myself, and  
8 then interpreted by the interpreter before  
9 you respond.

10 THE WITNESS: I understand.

11 MR. O'HARA: Second, if you don't  
12 understand a question that is asked, or  
13 perhaps even the interpretation, please say  
14 so and we will restate the question.

15 THE WITNESS: Understand.

16 MR. O'HARA: Third, at the end of  
17 the examination only your attorney will be  
18 granted the right to ask questions to clarify  
19 your responses given during the on the record  
20 today.

21 THE WITNESS: I understand.

22 MR. O'HARA: And fourth, during the  
23 testimony today, if you need to take a break  
24 please let us know, and we will be happy to



1 accommodate your request, provided that  
2 you've answered the question that's in front  
3 of you. Regarding control of the record, the  
4 Division staff controls and will be asking  
5 the questions today.

6 THE INTERPRETER: Sorry, could you  
7 say that again?

8 MR. O'HARA: Of course. Regarding  
9 the control of the record, the Division staff  
10 controls the record that's being created here  
11 today. What that means is we'll be asking  
12 the questions during the interview. And just  
13 to repeat, if you don't understand a  
14 question, or need clarification, please let  
15 us know.

16 THE WITNESS: Thank you.

17 MR. O'HARA: Mr. Nassar, your  
18 testimony has been requested by the  
19 Massachusetts Securities Division. It's been  
20 requested as part of an investigation into  
21 whether there have been violations of the  
22 Massachusetts Uniform Securities Act.  
23 However, as facts develop in this  
24 investigation, they may constitute violations

1 of other state and or federal, criminal or  
2 civil laws.

3 THE WITNESS: I understand.

4 MR. O'HARA: Mr. Nassar, do you  
5 understand that your testimony today is  
6 pursuant to a subpoena?

7 THE WITNESS: Yes.

8 MR. O'HARA: Do you understand that  
9 providing testimony under oath subjects you  
10 to the pains and penalties of perjury?

11 THE INTERPRETER: Under oath of?  
12 Oh, under the penalty?

13 MR. O'HARA: Pains and penalties of  
14 perjury.

15 THE WITNESS: I understand.

16 MR. O'HARA: Will you please place  
17 the witness under oath?

18 (Whereupon the witness, having  
19 been satisfactorily identified  
20 by the production of his  
21 Brazilian Consulate Card, was  
22 sworn by the Notary Public)

23 MR. O'HARA: Mr. Nassar, up to this  
24 point have you fully understood everything

1 the interpreter has said to you?

2 THE WITNESS: Yes, I have.

3 (BY MR. O'HARA)

4 Q. Mr. Nassar, will you please state and spell your  
5 full name for the record?

6 A. Gilson Oliveira Santos, Junior, spelled G-I-L-S-O-  
7 N, Gilson, Oliveira, O-L-I-V-E-I-R-A, Santos, S-A-  
8 N-T-O-S, and Junior.

9 MR. O'HARA: And Mr. Nassar, are  
10 you being represented by counsel today?

11 THE WITNESS: Yes.

12 MR. O'HARA: Counsel, will you  
13 please identify yourself for the record by  
14 stating and spelling your full name, and by  
15 identifying any and all parties that you're  
16 representing in this matter?

17 MR. THEODOROU: Nicholas Theodorou,  
18 -I-C-H-O-L-A-S, T-H-E-O-D-O-R-O-U, from the  
19 law firm of Foley Hoag, I represent Mr.  
20 Nassar. In addition to any other parties I  
21 may be representing in this matter?

22 MR. O'HARA: Yes.

23 MR. THEODOROU: Angelo Alves.

24 MR. O'HARA: Mr. Nassar, do you

1 understand that you may assert your Fifth  
2 Amendment rights under the United States  
3 Constitution, and thereby refuse to answer  
4 any question which may incriminate you?

5 THE WITNESS: I understand that.

6 MR. AHEARN: Mr. Nassar, do you  
7 also realize that you're entitled to a lawyer  
8 that represent you, and only your interest?

9 THE WITNESS: Yes, I understand  
10 that.

11 MR. AHEARN: Thank you.

12 MR. THEODOROU: I do not represent  
13 Telex in this matter.

14 MR. AHEARN: That's fine, that's  
15 fine.

16 MR. THEODOROU: Just so you know, I  
17 assume that --

18 MR. O'HARA: Thank you.

19 MR. AHEARN: We appreciate that.

20 MR. THEODOROU: -- they have other  
21 counsel.

22 MR. O'HARA: And Mr. Nassar, do you  
23 understand that you may assert your rights  
24 under Article Twelve of the Massachusetts

1 Constitution, and refuse to answer any  
2 question which may incriminate you?

3 THE WITNESS: Yes.

4 MR. O'HARA: Okay.

5 MR. THEODOROU: Also known as the  
6 Massachusetts Declaration of Rights.

7 MR. AHEARN: That's correct.

8 MR. O'HARA: And with the foregoing  
9 considerations in mind that we have just gone  
10 over, are you prepared to proceed with the  
11 counsel that is with you today?

12 THE WITNESS: Yes.

13 MR. AHEARN: Mr. Nassar, is there  
14 any reason why you can't listen to questions  
15 that are interpreted today, and answer them  
16 truthfully?

17 THE WITNESS: No, there isn't.

18 MR. AHEARN: Thank you.

19 MR. O'HARA: Okay, with all the  
20 foregoing in mind, are you prepared to  
21 proceed with this on the record interview?

22 THE WITNESS: Yes.

23 MR. O'HARA: Thank you. We'll now  
24 move on to personal information regarding Mr.

1 Nassar.

2 (BY MR. O'HARA)

3 Q. Mr. Nassar, will you please state your date of  
4 birth?

5 A. [REDACTED], 1973.

6 Q. Mr. Nassar, you've stated your full name for the  
7 record, have you ever gone by any other name or  
8 names?

9 MR. THEODOROU: It's his wife's  
10 name, Nassar is his wife's name.

11 (BY THE WITNESS)

12 A. No.

13 MR. THEODOROU: Nassar.

14 (BY THE WITNESS)

15 A. Yes, Nassar.

16 (BY MR. AHEARN)

17 Q. Would you please explain that?

18 MR. AHEARN: Ask him to explain  
19 that.

20 THE INTERPRETER: Okay.

21 (BY THE WITNESS)

22 A. Yes, I can. Nassar is my wife's last name. And  
23 it's Brazilian culture, we do this, we use the  
24 wife's last name.

1 (BY MR. O'HARA)

2 Q. Thank you. And how long have you gone by the last  
3 name of Nassar?

4 A. Since I married her four years ago.

5 Q. Pardon me for asking, I suppose, is this your  
6 first marriage?

7 A. No.

8 Q. Prior to this marriage have you used the last name  
9 of a previous wife or wives?

10 A. No, she used mine.

11 Q. Thank you. Mr. Nassar, what is your current  
12 residential address?

13 A. 7 Bowers Landing Road, apartment 106, Merrimack,  
14 New Hampshire.

15 Q. How long have you lived at this address?

16 A. Ten months.

17 Q. Prior to moving to this address where did you  
18 live?

19 A. 53 Congress Street, Amesbury, Massachusetts.

20 Q. How long did you live in Amesbury, Massachusetts?

21 A. Four or five years.

22 Q. Prior to living in Amesbury, Massachusetts, did  
23 you live anywhere else in Massachusetts?

24 A. I lived in another address in the same town.

1 Q. Thank you. How many years have you lived in  
2 Massachusetts?

3 A. Since -- in total, since 2001.

4 Q. Mr. Nassar, have you lived in the United States  
5 your entire life?

6 A. No.

7 Q. What other countries have you lived in during your  
8 life?

9 A. Brazil.

10 (BY MR. LEONE)

11 Q. Were you born in Brazil?

12 A. Yes.

13 Q. And where did you live in Brazil?

14 A. In Sao Paolo.

15 (BY MR. O'HARA)

16 Q. Is it accurate to say that you lived in Brazil  
17 from 1973 until 2001?

18 A. That's right.

19 Q. So, just to be clear, have you only lived in the  
20 states of Massachusetts and New Hampshire in the  
21 United States?

22 A. No.

23 Q. What other states have you lived in?

24 A. Florida.



1 Q. How long did you live in Florida for?

2 A. I believe it was 2003 to 2006.

3 Q. Where did you live between arriving in the United  
4 States in 2001, and 2003, when you started living  
5 in Florida?

6 A. In Amesbury.

7 Q. Thank you.

8 (BY MR. AHEARN)

9 Q. So, you lived in Amesbury 2001 to 2003?

10 A. Correct.

11 Q. And then you moved to Florida in 2003?

12 A. Correct.

13 Q. Where in Florida did you live?

14 A. Margate is the name of the neighborhood.

15 Q. Do you have a town?

16 A. Margate --

17 Q. Margate is the name of the town?

18 A. -- is the name of the town.

19 (BY MR. O'HARA)

20 Q. Thank you. Mr. Nassar, do you own any real  
21 property in the United States?

22 A. No.

23 Q. Do you own any real property in Brazil?

24 A. Yes, I bought one.

1 Q. Does this piece of real property have an address?

2 A. Yes.

3 Q. Will you please state the complete address of the  
4 property you own for the record?

5 A. No, because the house hasn't been -- they haven't  
6 finished building the house yet, but it is in  
7 Curitiba.

8 Q. Curitiba is a town in Brazil?

9 A. It's a city -- no, it's a state -- no, it's a  
10 city, it's a city in the state of Parana,  
11 Curitiba, the town.

12 Q. Okay, thank you. Is the title to the property in  
13 your name?

14 A. Not yet, I haven't finished paying for it.

15 (BY MR. LEONE)

16 Q. Why did you move to the U.S.?

17 A. To get -- to have a better life.

18 Q. Did anyone else move with you here from your  
19 family?

20 A. Not with me, they came later.

21 Q. And who also came?

22 A. My first wife, my parents.

23 Q. Is that all?

24 A. My sister -- my two -- my two sisters came later,

1 afterwards.

2 (BY MR. O'HARA)

3 Q. If we could just go back to the property in  
4 Brazil, I have one more question on that. When  
5 did you initiate the purchase of the property?

6 A. One year ago.

7 Q. And when do you anticipate completing the purchase  
8 of the property?

9 A. This year.

10 (BY MR. LEONE)

11 Q. And how much did the property cost?

12 A. 400,000 reais.

13 (BY MR. AHEARN)

14 Q. Is that Brazilian currency?

15 A. Yes.

16 (BY MR. O'HARA)

17 Q. Is the property a residential property?

18 A. Yes.

19 Q. Do you intend to reside at this property upon  
20 purchase?

21 A. Yes, when I go back to Brazil.

22 Q. When you say, quote, when I go back to Brazil, do  
23 you mean that you're going to move there?

24 A. At some point I do intend to go back.

1 Q. Thank you.

2 (BY MR. LEONE)

3 Q. What did you do in Brazil before you came here, in  
4 terms of work?

5 A. I sold cooked food items in the street, like, a  
6 stand.

7 (BY MR. O'HARA)

8 Q. Thank you. Upon moving to the United States, can  
9 you go through your occupational history?

10 A. Yes. I worked in restaurants, I painted houses,  
11 and the last one was house cleaning.

12 Q. Could you please give us a time frame on how  
13 recent it was that you were involved in house  
14 cleaning?

15 A. Well, I've moved around a lot in my jobs, so I  
16 don't have an exact time frame.

17 (BY MR. AHEARN)

18 Q. Can you give us an estimate?

19 A. I started cleaning houses about seven years ago,  
20 and before that I worked in restaurants, and also  
21 painted houses.

22 Q. So, those were simultaneous?

23 MR. THEODOROU: At the same time.

24 (BY THE WITNESS)

1 A. Most of the time I was doing both things, both  
2 jobs.

3 Q. Both here, in Massachusetts, and in Florida?

4 A. No, in Florida I did one job.

5 Q. And what was that?

6 A. I was installing cable dishes -- antennas, cable  
7 t.v. antennas.

8 Q. So, when you got back from Florida you started  
9 your cleaning business?

10 A. Yes, I started working in a restaurant, and then  
11 the owner of the restaurant started offering  
12 houses to me to clean -- started getting houses  
13 for me to clean.

14 (BY MR. NEELON)

15 Q. Is there a name of a cleaning company that you  
16 worked for?

17 A. No.

18 (BY MR. AHEARN)

19 Q. Just worked for yourself?

20 A. Yes, yes.

21 Q. And when was the last time you did that job?

22 A. It was December of 2002 -- 2012.

23 Q. Thank you.

24 (BY MR. LEONE)

1 Q. Could you describe where these houses were  
2 located?

3 MR. THEODOROU: In which state?  
4 (BY MR. LEONE)

5 Q. In Massachusetts, what cities?

6 A. Newburyport -- there were fifteen houses, but I  
7 don't remember, I don't remember one by one where  
8 they were.

9 Q. Is it fair to say they were all over the place?

10 A. Yes.

11 (BY MR. O'HARA)

12 Q. For the year 2013 did you file a federal income  
13 tax return with the United States government?

14 MR. THEODOROU: I want to consult  
15 with my client before he answers that.

16 MR. O'HARA: Would you like to step  
17 out?

18 MR. THEODOROU: Can I step out?

19 MR. O'HARA: We're going to go off  
20 the record.

21 MR. AHEARN: We're going to go off  
22 the record.

23 (Off the record at 10:57 a.m.)

24 (On the record at 10:58 a.m.)

1 MR. AHEARN: The time is two  
2 minutes before eleven a.m., and we will go  
3 back on the record, and there is a question  
4 before you, Mr. Nassar. Mr. O'Hara, repeat  
5 the question?

6 (BY MR. O'HARA)

7 Q. If I recall the question correctly, I believe it  
8 was for the year 2013, Mr. Nassar, --

9 MR. THEODOROU: For the year 2013,  
10 or in the year 2013?

11 (BY MR. O'HARA)

12 Q. For the year 2013 have you filed a federal  
13 personal income tax return --

14 MR. THEODOROU: Relating to 2012?  
15 Because 2013 is not due until 2014.

16 MR. O'HARA: I understand that it's  
17 not due.

18 (BY MR. O'HARA)

19 Q. So, let's start with the first question, for the  
20 year 2013, have you filed a federal income tax  
21 return with the United States government?

22 MR. THEODOROU: I just want to  
23 clarify too, because it's a little confusing.

24 MR. AHEARN: That's fine.

1 MR. THEODOROU: Are you saying has  
2 he filed it for last year's income yet?

3 MR. O'HARA: Yes, exactly.

4 (BY MR. O'HARA)

5 Q. For the year 2013, your income in 2013 --

6 MR. THEODOROU: So, have you filed  
7 a tax return this year for 2013 yet? That's  
8 a fair question.

9 (BY THE WITNESS)

10 A. I still haven't received the 1099.

11 Q. Okay.

12 (BY MR. AHEARN)

13 Q. So, that answer would be no? I just want to  
14 clarify.

15 MR. THEODOROU: Yes. Can I  
16 rephrase your question?

17 MR. AHEARN: No, no, no, let me  
18 rephrase my question.

19 (BY MR. AHEARN)

20 Q. So, you stated, sir, that you hadn't gotten a  
21 1099, so that --

22 A. Not yet.

23 Q. So, that means you haven't filed a tax return for  
24 the year 2013 yet?



1 A. Not yet.

2 Q. Okay.

3 (BY MR. LEONE)

4 Q. And from whom are you awaiting a 1099?

5 A. TelexFree.

6 (BY MR. O'HARA)

7 Q. Could you spell TelexFree for the record, please?

8 A. TelexFree. TelexFree, one word.

9 Q. Thank you. For the year 2012, did you file an  
10 income tax return with the United States  
11 government?

12 A. Yes, I did.

13 Q. On the tax form that you filed did you indicate an  
14 occupation?

15 A. Yes.

16 Q. What occupation, or occupations did you indicate  
17 on your tax filings?

18 A. House cleaning, and the other one was internet  
19 work.

20 Q. On your 2012 income tax filing with the United  
21 States government what was your gross income?

22 MR. THEODOROU: If you can  
23 remember. If you can remember what your  
24 income was. You asked him about his gross

1 income, or his combined, whether he files a  
2 joint return with his wife?

3 MR. AHEARN: I think the question  
4 was clear, they asked what his gross income  
5 was.

6 MR. THEODOROU: Okay.

7 (BY THE WITNESS)

8 A. I don't remember exactly. Forty-four, sorry,  
9 44,000, but I don't remember exactly.

10 (BY MR. AHEARN)

11 Q. So, it was about \$44,000.00?

12 A. I think so.

13 Q. So, that's an estimate on your part? I want the  
14 record to be clear.

15 A. Yes, if I had known, I would have brought them  
16 with me.

17 (BY MR. O'HARA)

18 Q. Thank you.

19 MR. AHEARN: Just for the record,  
20 counselor, all questions are if you know,  
21 okay?

22 MR. THEODOROU: Okay.

23 MR. AHEARN: So, I'm giving an  
24 instruction to the witness, --

1 MR. THEODOROU: That's good.

2 MR. AHEARN: -- all questions are  
3 if you know, if you don't know state you  
4 don't know.

5 MR. THEODOROU: Thank you.

6 THE WITNESS: Okay, thanks.

7 (BY MR. O'HARA)

8 Q. Does your wife have an occupation?

9 A. Here, or in Brazil?

10 Q. Let's start with here, in the United States?

11 A. She married me, and she started doing house  
12 cleaning with me.

13 Q. Does your wife have an income source from Brazil?

14 A. When she was there, yes.

15 Q. When was she most recently in Brazil?

16 A. Well, since she's been here she didn't go back,  
17 she hasn't gone back.

18 Q. Okay. How long has your wife been in the United  
19 States?

20 A. Since she married me.

21 Q. Thank you. Going back to a previous response that  
22 you gave, I believe you indicated on your 2012  
23 federal tax filings that your occupations were  
24 house cleaning and internet work?

1 A. That's right.

2 Q. When you indicated on your federal tax returns in  
3 2012 that you had an occupation of internet work,  
4 what did you mean?

5 A. Well, I began selling telephone services, and to  
6 do so, I communicated with people over the  
7 internet.

8 Q. Was 2012 the first year that you indicated on your  
9 tax filings that you had an occupation of internet  
10 work?

11 A. Yes.

12 Q. And if you could, describe your internet work more  
13 fully for us?

14 A. So, I would send emails to people, those people  
15 who were interested would answer me, and then I  
16 would send back to them information on the  
17 products that I was selling.

18 Q. What sort of products were you selling?

19 A. Telephony products.

20 Q. And were these -- scratch that. Were these  
21 telephony products products of a company that you  
22 were associated with?

23 A. Yes, I represented a company.

24 Q. What company did you represent?

1 A. TelexFree.

2 Q. And when did your representation of TelexFree  
3 begin?

4 A. In the middle of -- in mid 2012.

5 (BY MR. AHEARN)

6 Q. Did you ever represent any other telephony  
7 companies, like TelexFree?

8 A. No, that was the first.

9 (BY MR. O'HARA)

10 Q. Can you tell us what TelexFree, the company, is?

11 A. A company that does advertising in telephone  
12 services, or telephony.

13 Q. How long has TelexFree provided these services?

14 A. That I know, they've been in business for nine  
15 years.

16 Q. How do you know this?

17 A. Information on them on the internet.

18 (BY MR. LEONE)

19 Q. What information?

20 A. That it's been selling these services -- that it's  
21 been in business, or selling these services for  
22 the last nine years, more or less.

23 (BY MR. AHEARN)

24 Q. Is this a representation of TelexFree?

1 A. No, that's what's on the internet.

2 Q. Where on the internet?

3 A. If you give me Google, and I look for it, I'll  
4 find it for you. TelexFree, before had another  
5 name, which is Disque A Vontade.

6 THE INTERPRETER: Shall I  
7 translate?

8 MR. AHEARN: Is that translatable?

9 THE INTERPRETER: Yes, it means  
10 dial whatever you want, or dial when you want  
11 -- dial as much as you want, Disque A  
12 Vontade.

13 (BY MR. O'HARA)

14 Q. Has any of the information that you have on  
15 TelexFree, has any of that information come from  
16 TelexFree's website?

17 A. No, it comes from comments on the internet.

18 (BY MR. LEONE)

19 Q. How did you know to search for TelexFree?

20 A. I didn't understand the question.

21 Q. Did somebody tell you about TelexFree?

22 A. Yes.

23 Q. Who? Who told you about TelexFree?

24 A. San Rodriguez.

1 (BY MR. AHEARN)

2 Q. And who is that?

3 A. He's a rep, the company rep -- a company rep.

4 Q. And how did you come to know him?

5 A. I met him through -- I'm trying to remember.

6 Q. Do you remember when you met him?

7 A. It was in Florida.

8 Q. I'm trying to help you refresh your memory.

9 A. Thank you.

10 Q. Where in Florida did you meet him, if you can  
11 recall?

12 A. In Orlando.

13 Q. And what were you doing in Orlando when you met  
14 him?

15 A. I went to a meeting where he was doing -- where he  
16 was presenting.

17 Q. And how did you learn about that meeting?

18 A. Some friend of mine told me about it.

19 Q. Did you go with your friend?

20 A. No.

21 Q. You went by yourself?

22 A. Yes, he gave me the address.

23 (BY MR. LEONE)

24 Q. What was the presentation on?

1 A. It was about a company called Fone -- sorry, Fone  
2 Club, Fone Club.

3 Q. And when was that presentation?

4 A. 2004, 2005.

5 (BY MR. AHEARN)

6 Q. And as a result of going to that presentation, did  
7 you do anything?

8 A. Yes, I bought it's products.

9 (BY MR. LEONE)

10 Q. What were those --

11 A. I bought it's products, and then the company  
12 closed.

13 Q. What were those products?

14 A. They were products that enabled you to call  
15 Brazil.

16 Q. Were they phone cards?

17 A. Yes, exactly.

18 (BY MR. O'HARA)

19 Q. So, you bought phone cards?

20 A. Yes.

21 Q. Did you ever sell any products for this company?

22 A. No.

23 (BY MR. AHEARN)

24 Q. Were you able to use the phone cards?



1 A. Yes.

2 (BY MR. LEONE)

3 Q. And I believe you testified that the company  
4 closed, correct?

5 A. Yes.

6 Q. And why did they close?

7 A. I don't know.

8 (BY MR. AHEARN)

9 Q. Were you disappointed it closed?

10 A. Yes, I thought I would get something out of it.

11 (BY MR. LEONE)

12 Q. How much money did you put into it?

13 A. \$9,000.00.

14 (BY MR. O'HARA)

15 Q. What were you expecting to get from the company?

16 A. I thought I would get a good return on it, but I  
17 don't remember exactly how much I thought I would  
18 get.

19 (BY MR. LEONE)

20 Q. And how did you plan on getting a return on it?

21 A. By making presentations about the company to other  
22 people.

23 Q. And why would you have those presentations?

24 A. Because if the company had presentations to more

1 sellers, then I would also --

2 THE INTERPRETER: I didn't quite  
3 get what he said.

4 (BY THE WITNESS)

5 A. If I -- if I introduced more people to the company  
6 they would buy cards, and then I would get a  
7 commission.

8 (BY MR. AHEARN)

9 Q. When did the company close?

10 A. I don't remember exactly, but it was right after I  
11 went to see that presentation.

12 (BY MR. LEONE)

13 Q. Where was the company located?

14 A. I don't know.

15 (BY MR. O'HARA)

16 Q. Did you ever receive a commission for finding new  
17 sellers?

18 A. No, I didn't find any because there wasn't enough  
19 time.

20 Q. Is it accurate to say you did not receive any  
21 return on your outlay of \$9,000.00?

22 A. I did not receive a return. After several years  
23 it went to court, and it was determined that the  
24 company had to pay me back, and I received the

1 money back, the \$9,000.00.

2 Q. Thank you.

3 (BY MR. AHEARN)

4 Q. What court?

5 THE INTERPRETER: Excuse me, it  
6 went to court -- it went -- the law took care  
7 of it, not it went to court, the law took  
8 care of it.

9 (BY MR. AHEARN)

10 Q. What do you mean by the law took care of it?

11 A. The company closed, and we were waiting around to  
12 have the money back that we had paid into the  
13 company.

14 Q. So, they voluntarily paid you back?

15 A. Yes, by -- okay, by determination of the -- of the  
16 enforcement -- the authorities, and the lawyer.

17 Q. What authorities?

18 A. I do not know what authorities, but I know that  
19 one day I got that money back.

20 Q. Did you get interest too?

21 A. I don't remember.

22 (BY MR. LEONE)

23 Q. Do you remember who paid you?

24 A. A lawyer sent a letter, and then I received a

1 check.

2 MR. O'HARA: All right, we're going  
3 to go off the record, the time is 11:20 a.m.

4 (Off the record at 11:20 a.m.)

5 (On the record at 11:42 a.m.)

6 (Whereupon Mr. Ahearn left the  
7 On The Record Interview)

8 MR. LEONE: The time is now 11:42,  
9 we are now back on the record.

10 (BY MR. LEONE)

11 Q. Mr. Nassar, are you still in contact with San  
12 Rodriguez?

13 A. No.

14 Q. When was the last time you spoke with San  
15 Rodriguez?

16 A. I saw him in 2012, and I spoke to him by phone in  
17 2013.

18 Q. Starting with the time that you saw him in 2012,  
19 where did you see him?

20 A. At his house.

21 Q. And where is San Rodriguez's house?

22 A. In the area -- in the Boston area, I don't know  
23 exactly.

24 (BY MR. O'HARA)

1 Q. What was the purpose of the meeting with Mr.  
2 Rodriguez?

3 A. To find a way to make extra money.

4 Q. What did you discuss with Mr. Rodriguez at this  
5 meeting?

6 A. About work.

7 Q. What type of work?

8 A. Work to do with representing company.

9 (BY MR. LEONE)

10 Q. Which company?

11 A. The TelexFree.

12 Q. What was San Rodriguez's position with Fone Club?

13 A. He was, if I'm not wrong, the owner, he was like,  
14 a big -- like, a -- like, an owner, partner.

15 Q. And did you stay in touch with him from when Fone  
16 Club closed until 2012?

17 A. No.

18 Q. And did you contact Mr. Rodriguez in 2012?

19 A. No, it was he that sent me an email.

20 Q. And what did the email say?

21 A. That he had an opportunity to talk to me about,  
22 that he was going to talk to me about this  
23 opportunity.

24 (BY MR. O'HARA)

1 Q. Was anyone, besides you and Mr. Rodriguez, at this  
2 meeting in 2012?

3 A. It was his wife, my wife, his son, but with regard  
4 to this business of earning extra money, that was  
5 only me and him discussing that.

6 Q. At the time of this meeting -- scratch that. Was  
7 the company TelexFree mentioned in the email from  
8 Mr. Rodriguez that invited you to his house?

9 A. No.

10 (BY MR. LEONE)

11 Q. Do you still have the email?

12 A. I can try to find it.

13 (BY MR. O'HARA)

14 Q. Prior to the meeting at Mr. Rodriguez's house in  
15 2012 had you heard of the company TelexFree?

16 A. Are you asking about TelexFree?

17 Q. Yes.

18 A. Yes.

19 Q. So, it's fair to say that at this meeting with --  
20 is it correct to say at this meeting with Mr.  
21 Rodriguez you had heard of TelexFree before that  
22 meeting?

23 A. Yes.

24 Q. When did you first learn of TelexFree?

1 A. It was about April, May of 2012.

2 Q. At what point in 2012 did the meeting with Mr.  
3 Rodriguez take place?

4 A. It was between June and July.

5 Q. Thank you. So, how did you first learn of  
6 TelexFree?

7 A. Internet, on the internet.

8 Q. Do you recall how you came across TelexFree on the  
9 internet?

10 A. I don't remember exactly, you know, you see stuff  
11 through videos, emails, I don't remember.

12 (BY MR. LEONE)

13 Q. I would like to go back to the meeting at San  
14 Rodriguez's house, correct?

15 A. Yes, sir.

16 Q. What did San Rodriguez tell you about TelexFree?

17 A. He said he was -- he said he was looking for more  
18 information.

19 Q. Who was looking for more information?

20 A. San Rodriguez.

21 Q. What kind of information was he looking for?

22 A. If he really was going to act as an independent  
23 agent, or rep of the company or not.

24 (BY MR. O'HARA)

1 Q. Just to clarify, when you use the word he in that  
2 response, Mr. Nassar, are you talking about Mr.  
3 Rodriguez acting as a representative of the  
4 company?

5 A. Yes.

6 Q. Thank you.

7 (BY MR. LEONE)

8 Q. And just to clarify again, did Mr. Rodriguez  
9 introduce the topic of TelexFree at that meeting,  
10 or did you introduce the topic of TelexFree?

11 A. He talked about the company at that meeting, and I  
12 said to him that I had heard about that company  
13 over the internet.

14 Q. Did Mr. Rodriguez tell you anything new that you  
15 did not learn over the internet, at that meeting?

16 A. No. He did not have a lot of information.

17 (BY MR. O'HARA)

18 Q. Did you provide information on TelexFree to Mr.  
19 Rodriguez during this meeting?

20 A. No.

21 (BY MR. LEONE)

22 Q. Did he give you any papers, or any reports?

23 A. No.

24 Q. Do you know if Mr. Rodriguez was already involved



1 in TelexFree at that time?

2 A. That I know, no, he was not.

3 (BY MR. O'HARA)

4 Q. When did your representation of TelexFree begin?

5 A. Two weeks after the meeting with San Rodriguez.

6 (BY MR. LEONE)

7 Q. And did San Rodriguez's representation of  
8 TelexFree occur before then, or after?

9 A. No, he -- he said that there was going to be  
10 information, and that he would get back to me.

11 Q. And did he get back to you?

12 A. Yes, he called me.

13 Q. And when did he call you?

14 A. Some ten days after that.

15 Q. And what did he say on that call?

16 A. He said he liked the company, and was I interested  
17 in being an independent rep for the company.

18 Q. So, was it your understanding that Mr. Rodriguez  
19 was involved at the company at the time of the  
20 call?

21 A. Yes, for him to be able to invite me to be a rep  
22 for the company, he would already have to have  
23 been one.

24 (BY MR. O'HARA)

1 Q. So, Mr. Rodriguez invited you to become a  
2 representative of TelexFree?

3 A. Yes.

4 (BY MR. LEONE)

5 Q. Did he invite anyone else?

6 A. That I know, no, that I know of.

7 (BY MR. O'HARA)

8 Q. In order to accept Mr. Rodriguez's invitation to  
9 represent TelexFree, did you pay him any money?

10 A. No.

11 Q. Did you provide him with any money in order to  
12 become a representative of TelexFree?

13 MR. THEODOROU: This is to  
14 Rodriguez?

15 MR. O'HARA: Yes.

16 MR. THEODOROU: Okay.

17 (BY MR. O'HARA)

18 Q. Did you provide Mr. Rodriguez with any money to  
19 become a representative of TelexFree?

20 A. No.

21 (BY MR. NEELON)

22 Q. What was the TelexFree opportunity, as you  
23 understood it, that day that you met with Mr.  
24 Rodriguez?

1 A. It was to sell a service that was cheaper to  
2 people that were making international calls.

3 (BY MR. LEONE)

4 Q. Was that the only service that TelexFree provided?

5 A. Yes.

6 (BY MR. O'HARA)

7 Q. Can you describe the service that you're  
8 referencing?

9 A. It's a VOIP, a VOIP service, voice over internet  
10 protocol.

11 (BY MR. LEONE)

12 Q. And how would a representative of TelexFree make  
13 money through that service?

14 A. Because when you get a client, the client pays a  
15 monthly fee, and the rep gets ten percent of that  
16 monthly fee.

17 (BY MR. O'HARA)

18 Q. And what is the monthly fee?

19 A. 49.95.

20 Q. Is that the only VIOP (sic) service that a  
21 customer of TelexFree can purchase?

22 A. Yes.

23 Q. And if I understood you correctly, Mr. Nassar, did  
24 you say that a customer would pay \$49.90 for each

1 month that they were using the TelexFree service?

2 A. 49.95, and I would get ten percent of that.

3 Q. And just to be clear, each month a client of  
4 TelexFree would pay 49.95 for the TelexFree VIOP  
5 service?

6 A. Yes.

7 Q. And just so I understand you correctly, every time  
8 a client would purchase the service you would  
9 receive a ten percent commission?

10 A. Yes.

11 (BY MR. LEONE)

12 Q. Would individuals involved in TelexFree receive  
13 any other income, besides the ten percent  
14 commission?

15 MR. THEODOROU: No, no, no, you  
16 didn't listen to the question. Besides the  
17 ten percent commission, do you get any other  
18 monies that you could get as a rep?

19 THE WITNESS: (In English) As a  
20 rep?

21 MR. THEODOROU: Yes, were there any  
22 bonuses, or anything like that?

23 MR. LEONE: Let me rephrase the  
24 question.

1 MR. THEODOROU: Yes, all right. Go  
2 ahead.

3 (BY MR. LEONE)

4 Q. Not talking about the VOIP clients, the  
5 representatives or participants of TelexFree, was  
6 there any other way to receive an income, other  
7 than the ten percent commission on the VOIP?

8 A. Yes, clients could become disclosers (sic) --  
9 promote -- they could promote the service, market  
10 it.

11 Q. Okay, using your term, promoter, how would a  
12 promoter make money?

13 A. He makes money when he brings in another person  
14 that -- to be a representative of the company.

15 (BY MR. O'HARA)

16 Q. I would just like some clarification on the term  
17 you're using, representative, when you use that  
18 term what do you mean?

19 A. It means that the person is not just a client, it  
20 means that they can be a client, and sell the  
21 service too.

22 Q. So, is it --

23 MR. O'HARA: I'm sorry, did I cut  
24 off the interpretation?

1 THE INTERPRETER: No.

2 MR. O'HARA: Okay.

3 (BY MR. O'HARA)

4 Q. My question is when you refer to yourself as a  
5 representative of TelexFree then, is it fair to  
6 say that you mean you are selling VIOP service  
7 products, and finding new promoters of TelexFree?

8 A. Yes, both things.

9 Q. Is there anything else that you do, as a  
10 representative of TelexFree?

11 A. No.

12 (BY MR. LEONE)

13 Q. Do you have to give any money to TelexFree to  
14 become a promoter?

15 A. Yes.

16 Q. And how much money do you give, or are there  
17 different types of monies that you can give?

18 A. There are two ways you can be a rep, one way you  
19 pay \$339.00, and in the other you pay \$1,425.00.

20 Q. And what do you get in return for paying those two  
21 amounts? Let's start with the 339 first.

22 A. I get ten VOIP services to be able to sell.

23 Q. And does the 339 allow you to do anything else?

24 A. Yes, it gives me the right to be an independent

1 rep, so I can then sell the VOIPs.

2 (BY MR. O'HARA)

3 Q. You can sell the ten VIOP services that you've  
4 received in return for providing TelexFree  
5 \$339.00?

6 A. Yes.

7 (BY MR. LEONE)

8 Q. Do representatives have any requirements after  
9 giving \$339.00 to TelexFree?

10 A. TelexFree says if you can't sell their products --  
11 you put up -- you post announcements every day,  
12 and that if you can't sell them, the services,  
13 after doing your daily posts, they will buy back  
14 the services for \$20.00. They'll buy -- okay,  
15 they'll buy one service or product a week. So,  
16 that's a way of not losing money, for the person  
17 not to lose money.

18 Q. Okay. And what do you mean by posting  
19 announcements?

20 THE INTERPRETER: It's  
21 advertisements.

22 MR. LEONE: Advertisements.

23 (BY THE WITNESS)

24 A. You go to sites on the internet where they sell

1           classified products, and you put up an  
2           announcement for the sale of your VOIP -- VOIP  
3           product.

4       Q.   Do you write the announcement?

5       A.   No, they have it already done up.

6       Q.   Do you pick the sites to post the announcement?

7       A.   Yes. They give sites to post on, but I can also  
8           come up with sites on my own.

9       Q.   Do you post announcements on sites that you pick,  
10           or do you use the TelexFree sites?

11      A.   I use theirs, mine, whatever, it's the same to  
12           them.

13                   MR. THEODORE: The announcements  
14           are ads, right?

15                   THE INTERPRETER: Yeah, ads.

16       (BY THE WITNESS)

17      A.   Ads.

18                   MR. THEODORE: Ads, okay.

19                   MR. LEONE: Okay.

20                   MR. THEODORE: Just so we know,  
21           announcements versus ads.

22                   THE INTERPRETER: Ads, sorry,  
23           sorry, ads, I'm sorry, ads.

24                   MR. LEONE: Moving forward, I'll



1 use the term advertisement.

2 MR. THEODORE: Yes, ads.

3 THE INTERPRETER: Ads.

4 MR. THEODORE: Okay.

5 THE WITNESS: (In English) Ads I  
6 understand better.

7 MR. THEODORE: Hmm?

8 THE WITNESS: (In English) Ads I  
9 understand better.

10 MR. THEODORE: Ads.

11 MR. LEONE: Great, okay.

12 MR. THEODORE: Ads.

13 MR. LEONE: Okay, thank you.

14 MR. THEODORE: Yes, okay, ads.

15 (BY MR. LEONE)

16 Q. So, by posting an advertisement every day online  
17 for one week, the company will give you \$20.00?

18 A. If I don't sell. If I can't sell then that's what  
19 they pay me, yes.

20 (BY MR. O'HARA)

21 Q. And when you're talking about this weekly payout  
22 if you don't sell, we're talking about the payout  
23 under the program that costs \$339.00 to join, is  
24 that correct?

1 A. This program of the \$339.00 is divided into two  
2 parts, \$289.00 plus fifty.

3 (BY MR. LEONE)

4 Q. And what is the \$50.00 for?

5 A. Okay, that's the membership activation and joining  
6 fee.

7 MR. THEODOROU: Okay.

8 (BY MR. LEONE)

9 Q. You also mentioned a program that requires more  
10 money, correct?

11 A. Yes.

12 Q. And I'm sorry, how much money was that again?

13 A. 1,425.

14 Q. And do you also post advertisements under that  
15 program?

16 A. Yes, instead of just posting one on sites I have  
17 to post five -- I can -- I can post up to five ads  
18 per day.

19 MR. O'HARA: Let me ask the witness  
20 -- Mr. Nassar, excuse me, I'll ask you  
21 directly, do you need to take a phone call?

22 THE WITNESS: I forgot to turn it  
23 off, sorry.

24 MR. O'HARA: No problem, okay.

1                   MR. LEONE: Mr. Nassar, if you need  
2                   to take a break at any moment you let us  
3                   know, and we will give you the opportunity to  
4                   do so.

5                   THE WITNESS: No, I'm okay.

6                   (BY MR. LEONE)

7                   Q. Did you also receive VOIP programs with the 1,425  
8                   package?

9                   A. Yes.

10                  Q. And how many?

11                  A. Fifty.

12                  Q. So, under either package you get VOIP programs, or  
13                  packages, and you also can post ads, correct?

14                  A. Yes.

15                  (BY MR. O'HARA)

16                  Q. If I may ask a couple questions on the ads in  
17                  general, when you post an advertisement --

18                         MR. THEODOROU: Hold on, before you  
19                         -- just so we're clear, so you're listening  
20                         to both him, and then you should listen to  
21                         also the translation, right? You're  
22                         listening to both, right?

23                         THE WITNESS: (In English) Yeah.

24                         MR. THEODOROU: That helps him

1 focus.

2 MR. O'HARA: Sure.

3 (BY MR. O'HARA)

4 Q. When you post the advertisement does the  
5 advertisement direct the reader of the ad to the  
6 individual that posted the advertisement?

7 A. Yes.

8 Q. So, using yourself as an example, Mr. Nassar, when  
9 you post an ad the ad somehow directs the reader  
10 to contact you yourself to purchase a VIOP  
11 service?

12 A. No.

13 Q. Who does it direct the reader of the ad to  
14 contact?

15 A. He goes directly to the TelexFree site.

16 Q. Would you be able to tell us what the  
17 advertisements say that you post?

18 A. The ad says that the person can use the service  
19 free for one hour.

20 Q. That's all the advertisement says?

21 A. Yes.

22 Q. When you post an advertisement do you have to pay  
23 for that advertisement to be posted?

24 A. No.

1 (BY MR. LEONE)

2 Q. How does TelexFree know you posted the  
3 advertisements?

4 A. Because on the site there is a link to my -- to my  
5 logo -- sorry, to my user name.

6 (BY MR. O'HARA)

7 Q. So, Mr. Nassar, when you go on the website do you  
8 have to log in to be able to post advertisements?

9 THE INTERPRETER: TelexFree?

10 (BY MR. O'HARA)

11 Q. Yes, when you go to the --

12 THE INTERPRETER: I'm sorry, I  
13 didn't get the last part of the question?

14 (BY MR. O'HARA)

15 Q. Do you have to log in under a user name?

16 A. Yes.

17 Q. Thank you.

18 (BY MR. NEELON)

19 Q. Mr. Nassar, how long does it take you to post the  
20 ads?

21 A. One minute.

22 Q. Per ad?

23 A. Yes.

24 (BY MR. O'HARA)

1 Q. And Mr. Nassar, did I hear you correctly earlier,  
2 you said that you purchased fifty packages?

3 A. No.

4 Q. Okay, thank you for clarifying that.

5 (BY MR. LEONE)

6 Q. Going back to the packages, when you purchase a  
7 package you can sell the VOIP, and you can post  
8 advertisements, correct?

9 A. That's right.

10 Q. Can you receive money any other way?

11 A. Yes.

12 Q. How?

13 A. If the client wants to become a promoter he can  
14 come on board with one of those two options, the  
15 339 or the 1,425. Okay, so if he comes on board  
16 with the 339 package I get \$20.00, and if he takes  
17 the other I get a hundred.

18 Q. And is there any other way to make income?

19 A. Yes.

20 Q. How?

21 A. If these promoters bring other people in.

22 Q. And what do you receive?

23 A. Can I use you as an example? Can I use him as an  
24 example?

1 (BY MR. O'HARA)

2 Q. Please.

3 MR. LEONE: And Mr. Nassar is  
4 referencing William Neelon and Timothy O'Hara  
5 here.

6 MR. THEODOROU: Or do you want him  
7 to draw --

8 MR. LEONE: We would rather the  
9 response be verbal, so the record reflects  
10 it, so if you can --

11 MR. THEODOROU: Well, you can make  
12 it an exhibit.

13 MR. LEONE: Potentially.

14 MR. THEODORE: Okay, all right.

15 (BY MR. LEONE)

16 Q. So, as we were speaking now, you were describing a  
17 way that a promoter can make money through other  
18 promoters coming on, correct?

19 A. Yes.

20 Q. Continue.

21 A. If you become a promoter, Mr. William, and you  
22 also become a promoter, and you each bring one, I  
23 get \$80.00.

24 (BY MR. NEELON)

1 Q. And is that \$80.00 if they buy the 1,425 package?

2 A. That's for the 1,425.

3 (BY MR. LEONE)

4 Q. And how about the 339 package?

5 A. Twenty.

6 Q. Is there any other way to make money?

7 A. Direct calling gives you money -- okay, for direct  
8 references, referrals, you get money, for  
9 referring directly.

10 Q. And what money do you get for that?

11 A. Twenty, and a hundred for the 1,425.

12 (BY MR. O'HARA)

13 Q. What is the difference between making a referral,  
14 as opposed to recruiting somebody to become a  
15 promoter?

16 A. There's no difference.

17 Q. Thank you.

18 (BY MR. LEONE)

19 Q. Is there any other way to make money?

20 A. No, only by recruiting promoters or selling the  
21 services.

22 (BY MR. NEELON)

23 Q. Are there any bonuses you can get associated with  
24 sales?



1 A. Yes, I get ten percent on my first tier clients,  
2 and down to the sixth tier, where I get two  
3 percent.

4 (BY MR. O'HARA)

5 Q. And when you say ten percent and two percent,  
6 percent of what?

7 A. Of the VOIP.

8 Q. Okay, so just so I'm clear, if one of your  
9 recruiters one tier down sells a VIOP package that  
10 person receives from TelexFree a ten percent  
11 commission, so that would be roughly \$5.00, and do  
12 I understand it correctly that you get ten percent  
13 of that commission?

14 A. No, from that -- no, they get ten, I get two.

15 Q. You would get two percent of their commission, so  
16 you would get ten cents?

17 A. No, two percent of the whole amount, not two  
18 percent of the commission.

19 Q. You would get two percent of the \$50.00 VIOP  
20 package that they sold?

21 A. Yes.

22 Q. Okay. And would you get two percent from the  
23 first tier recruits, down the line, up to six  
24 tiers?

1 A. Yes.

2 Q. So, if any one in that chain of recruits sold a  
3 VIOP package you get two percent of the gross  
4 sale?

5 A. Yes.

6 Q. Thank you.

7 (BY MR. LEONE)

8 Q. When did you join TelexFree?

9 A. In the seventh month -- okay, July, in July, after  
10 I had the meeting with him, I don't remember  
11 exactly.

12 (BY MR. NEELON)

13 Q. That was July of 2012?

14 A. Yes.

15 (BY MR. LEONE)

16 Q. And which package did you buy?

17 A. The \$339.00 one.

18 Q. Did you buy any other packages, besides that one?

19 A. Yes, I upgraded to the 1,425.

20 Q. When did you upgrade?

21 A. A month later.

22 (BY MR. NEELON)

23 Q. How many packages do you currently own?

24 A. None in my name.

1 (BY MR. LEONE)

2 Q. Did anyone receive a two percent commission for  
3 bringing you into TelexFree?

4 A. Yes, but I don't know who.

5 Q. How did you sign up for TelexFree?

6 A. I clicked on the link, I went to the site and I  
7 put in my information, and the site took me to Pay  
8 Pal.

9 Q. Which link did you click on to go to the site?

10 A. The link that's TelexFree dot come slash -- slash  
11 S-A-N, san.

12 Q. And does the slash S-A-N refer to San Rodriguez?

13 A. Yes.

14 Q. So, the advertisement that you clicked on was one  
15 of San Rodriguez's advertisements, correct?

16 A. I didn't click on an ad.

17 Q. So, who gave you that website to type in?

18 A. San Rodriguez sent me a text message with the  
19 link.

20 Q. And so you used that text message to go online to  
21 go to the site, correct?

22 A. Yeah, I took that link, and I went to my computer,  
23 and that was where I typed it in, and accessed the  
24 site.

1 (BY MR. NEELON)

2 Q. You mentioned you currently own no packages in  
3 your name, do you own any packages under someone  
4 else's name?

5 A. Yes, six packages under the name of my wife.

6 Q. And what is her name?

7 A. Andrea.

8 MR. THEODOROU: Well, his wife is  
9 the owner. Your wife is the owner?

10 THE WITNESS: Mm-hmm.

11 MR. THEODOROU: Okay. So, the  
12 family. The family. What's your wife's name  
13 again?

14 (BY THE WITNESS)

15 A. Andrea Alessandra, with two S's, A-L-E-S-S-A-N-D-  
16 R-A, Nassar, N-A-S-S-A-R, and the last one is M-O-  
17 R-A-E-S, Moraes. So, Andrea Alessandra Nassar  
18 Moraes.

19 Q. And are those the 1,425 packages?

20 A. Yes.

21 (BY MR. LEONE)

22 Q. When was the last time you owned a package in your  
23 name?

24 A. It was exactly a year after the contract expired.

1 Q. So, there's a year contract for the packages?

2 A. Yes.

3 Q. During the year that you had the packages how many  
4 packages did you have?

5 MR. THEODOROU: And the name was  
6 under Santos, right? Yes, his name. Okay,  
7 so he used the accurate name because it's  
8 cultural, and Nassar --

9 MR. LEONE: Sure.

10 MR. THEODOROU: So, go ahead.

11 MR. LEONE: Thank you.

12 (BY MR. LEONE)

13 Q. So, under the name Santos, when you held packages,  
14 how many did you hold, what was the most?

15 A. Between ten -- between twelve and fifteen.

16 Q. And which packages were those?

17 A. The 1,425.

18 Q. And during the year that you had packages how many  
19 people did you recruit?

20 MR. THEODOROU: As best you can  
21 say, what you remember.

22 (BY THE WITNESS)

23 A. Between clients and promoters, some ninety people.

24 Q. To try to break it down, how many promoters did

1           you bring on?

2                           **MR. THEODOROU:** And just for the  
3                   record, and as best he can recall, I mean, he  
4                   may not know the exact number.

5           **(BY MR. LEONE)**

6           Q. Mr. Nassar, if you do not know the exact number  
7           please indicate to me, and then I will rephrase  
8           the question to ask you to estimate. So, in the  
9           year --

10                           **MR. THEODOROU:** Estimate --

11           **(BY MR. LEONE)**

12           Q. So, Mr. Nassar, in the year that you held the  
13           package between the summer of 2012 to the summer  
14           of 2013, how many promoters did you bring into the  
15           TelexFree program?

16           A. I don't know.

17           Q. Could you estimate?

18           A. I didn't look at how many -- how many promoters I  
19           was bringing in, I just didn't look at it. I had  
20           to give support to people.

21           Q. What do you mean by give support to people?

22           A. If they had questions about the service, or also  
23           about being a rep for the company.

24           Q. Out of the between twelve to fifteen packages that

1           you had, how many VOIP programs did you sell?

2           A.   I don't know.

3           Q.   Less than ten?

4           A.   More than ten.

5           Q.   Less than twenty?

6           A.   More than twenty.

7           Q.   More than a hundred?

8                               MR. THEODOROU:   If you know.

9           (BY THE WITNESS)

10          A.   I don't think so, not more than a hundred.

11          Q.   If you know, more than fifty?

12          A.   Could be.

13          Q.   So, would you estimate you sold around fifty?

14          A.   Probably.

15          (BY MR. NEELON)

16          Q.   Mr. Nassar, for your twelve to fifteen packages,  
17               did you post all those ads every day by yourself?

18          A.   Yeah, I had to do it.

19                           MR. O'HARA:   Let's go off the  
20                       record for one minute.

21                               (Off the record at 12:36 p.m.)

22                               (On the record at 12:37 p.m.)

23                           MR. O'HARA:   We're back on the  
24                       record, the time is 12:37.

1 (BY MR. O'HARA)

2 Q. What was your source of funds for purchasing your  
3 TelexFree promoter packages?

4 A. The first one I bought for 339 I bought with my  
5 housecleaning money.

6 Q. And the other packages, I believe you testified  
7 that you bought somewhere between twelve and  
8 fifteen packages, where did you get the funds to  
9 purchase those additional packages?

10 A. I started selling the plans, and I started  
11 receiving money through the back office, and with  
12 the -- with the money that I received there, I was  
13 able to upgrade and buy those packages. So,  
14 instead of taking the money out that I was making,  
15 I used it to buy the packages.

16 Q. When you reference back office in your responses,  
17 can you explain what back office means?

18 A. Back office is when you put in your user name and  
19 your password, and you go on the site.

20 Q. In your back office could you see how much money  
21 you've earned from TelexFree activities?

22 A. Yes.

23 Q. So, when you earned money at TelexFree, can you  
24 tell us how you would receive that money?



1 A. At first it was through Pay Pal, and then it was  
2 through the bank.

3 Q. Can you describe that in a bit more detail?

4 MR. THEODOROU: Are you asking how  
5 it goes from Telex to Pay Pal and the bank?

6 MR. O'HARA: That's exactly what  
7 I'm asking.

8 MR. THEODOROU: Yes, how does the  
9 money go from Telex, that if you want to take  
10 it out of the back office, right, to your own  
11 bank account, how do you do that? Is that  
12 what you -- if you want --

13 MR. O'HARA: Yes, I guess you threw  
14 in another step. So, let's go back.

15 MR. THEODOROU: Because they have  
16 an account in the back office.

17 MR. O'HARA: Okay.

18 (BY MR. O'HARA)

19 Q. When you would earn money --

20 MR. THEODOROU: Account back  
21 office.

22 (BY MR. O'HARA)

23 Q. -- say for selling a VIOP service to a client,  
24 take us through each step kind of along the way

1           that your commission goes from the purchaser,  
2           ultimately to your bank account?

3           A.   Okay, the seller -- the seller pays TelexFree,  
4           TelexFree sends the money to my back office, and  
5           on -- in the back office area is my bank account  
6           and Pay Pal account, and -- and I would go into  
7           there on Mondays, and I take out some money, so  
8           ten days later the money would arrive.

9           (BY MR. LEONE)

10          Q.   Arrive in the bank account, correct?

11          A.   Yes.

12          (BY MR. O'HARA)

13          Q.   Now, when money was put into your back office  
14               would it remain there until someone directed the  
15               money to go to your bank account?

16          A.   Yes.

17          Q.   So, is it correct to say money would not be  
18               automatically transferred from the back office  
19               account to your personal bank account?

20          A.   No, I had to go there and do it.

21          Q.   And it would take ten days from instructing the  
22               back office to transfer money in the back office  
23               to your bank account?

24          A.   Yeah, yes.

1 Q. And when you would instruct money to be  
2 transferred from the back office to your bank  
3 account was there any transaction fee associated  
4 with that instruction?

5 A. No.

6 Q. Thanks for that explanation of --

7 MR. THEODOROU: Are you talking  
8 about -- oh, a Telex fee, right? So, a Telex  
9 fee as opposed to his bank, he might have  
10 some kind of bank fee.

11 MR. O'HARA: Okay, I mean, I was  
12 just kind of getting at any fee in general.

13 (BY MR. O'HARA)

14 Q. But does TelexFree charge a fee to transfer money  
15 from the back office to the bank account?

16 A. They do not charge a commission to send the money  
17 from themselves to back office, but in back office  
18 there's an electronic wallet, which is a third  
19 party provider that sends the money to the bank,  
20 and that company charges eight percent.

21 MR. THEODOROU: Called e-wallet?  
22 E-wallet?

23 (BY MR. O'HARA)

24 Q. So, if I can just get this straight, let me know

1 if I'm understanding this correctly, from your  
2 response, I understand that the money is not in  
3 the back office, the money is in an e-wallet?

4 A. Yes.

5 Q. And through the back office, you can see how much  
6 money you have in your e-wallet?

7 A. The money -- it's two steps, the money that's in  
8 the back office I can transfer to the e-wallet,  
9 and that doesn't -- that's free, but when e-wallet  
10 sends the money to my bank they charge.

11 (BY MR. LEONE)

12 Q. Can you transfer money directly from the back  
13 office to your bank?

14 A. No.

15 (BY MR. O'HARA)

16 Q. Is the only way to get the money in your e-wallet  
17 into your hands to go through the e-wallet  
18 process?

19 A. There's another way.

20 Q. What is the other way?

21 A. I can transfer to another back office account, or  
22 -- or I can pay an invoice for someone who wants  
23 to come on board.

24 Q. Can you describe that response further?

1 A. How?

2 Q. What I'm not fully understanding, I don't think,  
3 is when you say you can provide an invoice for  
4 somebody that wants to --

5 A. When a person comes into TelexFree this gives rise  
6 to an invoice that they have to pay, the invoice  
7 has a number, and I go to my back office, and I  
8 put that number in and I pay it.

9 (BY MR. LEONE)

10 Q. Have you ever paid anyone else's invoice?

11 A. Yes.

12 Q. How many times?

13 A. Various.

14 (BY MR. NEELON)

15 Q. When you pay someone else's invoice do they then  
16 pay you cash, or --

17 A. Yes, or they transfer it to the bank -- to my  
18 bank.

19 (BY MR. LEONE)

20 Q. Has TelexFree ever paid you directly?

21 MR. THEODOROU: Apart from the back  
22 office -- use of the back office?

23 (BY MR. LEONE)

24 Q. Apart from the back office, or e-wallet system,

1 has TelexFree ever paid you directly?

2 A. Originally, at the beginning, they were paying me  
3 right into my Pay Pal account.

4 Q. So, e-wallet has not always been used by  
5 TelexFree, correct?

6 A. Right.

7 MR. O'HARA: We'll go off the  
8 record.

9 (Off the record at 12:49 p.m.)

10 (On the record at 1:50 p.m.)

11 MR. O'HARA: We're back on the  
12 record, the time is 1:50 p.m.

13 (BY MR. O'HARA)

14 Q. I would like to circle back to the topic of the  
15 ads.

16 A. Yes, sir.

17 Q. You've walked us through how to post the ads in  
18 general, were there any other specific methods, or  
19 specific tools that a representative can use to  
20 post the ads?

21 A. Yeah, I found out from over the internet that  
22 there is a specific tool.

23 Q. Can you describe that tool for us, please?

24 A. I found out that if you enter your user name and

1           your password, and you pay four bucks, that they  
2           will automatically post your ad for you every day.

3       Q.   Would you pay \$4.00 every day?

4       A.   It's \$4.00 a month.

5       Q.   And would that money be paid to TelexFree?

6       A.   No.

7       Q.   Who would take the \$4.00?

8       A.   The posting tool, the people that to the posting,  
9           the tool people, are the ones that receive the  
10          money, but I don't know who they are.

11      Q.   And does this posting tool have a name?

12      A.   Yes, Simples, S-I-M-P-L-E-S, Telex.

13      Q.   Thank you.

14      A.   Dot com.

15      Q.   And would you buy the tool from Simples Telex dot  
16          com?

17      A.   No, no.

18      Q.   Where would you find the tool?

19      A.   I started using this tool after I bought my  
20          positions with my -- in the name of my wife, it's  
21          in my wife's name.

22      (BY MR. LEONE)

23      Q.   How did you find out about the Simples Telex dot  
24          com?

1 A. Because I got an email stating that I didn't have  
2 to worry about posting all the things every day,  
3 the ads, that I could just use this tool, I got it  
4 from them, from the tool dot com.

5 (BY MR. O'HARA)

6 Q. So, did you receive an email from Simples Telex  
7 dot com about this tool?

8 A. No. Okay, somebody sent me an email about this,  
9 and it actually went into my spam folder, but I  
10 opened it anyway, and that's where I found it.

11 Q. Do you know who sent you the email?

12 A. No.

13 (BY MR. LEONE)

14 Q. How do you pay the \$4.00 a month?

15 A. Through Pay Pal.

16 (BY MR. NEELON)

17 Q. Do you pay \$4.00 per ad, or is it \$4.00 per  
18 package, how do they charge?

19 A. It's \$4.00 per month per package.

20 (BY MR. O'HARA)

21 Q. So, if you somebody had five packages, and they're  
22 using the Simples Telex tool they pay \$20.00 a  
23 month for the service from Simples Telex?

24 A. Right.



1 (BY MR. LEONE)

2 Q. Does it matter which package you buy?

3 THE INTERPRETER: You mean 339 or -

4 -

5 (BY MR. LEONE)

6 Q. Does it matter whether you buy the 339 package or  
7 the 1,425 package, is it \$4.00 for each?

8 A. I don't know.

9 (BY MR. O'HARA)

10 Q. Does the tool automatically post your ads, or do  
11 you have to do something each day to activate the  
12 tool?

13 A. I don't know if it's a person or a robot, but it  
14 posts every day.

15 Q. And you don't need to do anything?

16 A. I just go in there to make sure it was done.

17 Q. So, you don't have to do anything on a daily basis  
18 to prompt it to post your ads?

19 A. Yes, it's automatic, but I don't know if it's a  
20 person or a machine.

21 Q. Understood, thank you. Okay, let's move on now to  
22 a few more questions that we have on the VIOP  
23 programs. Have you personally bought any of the  
24 VIOP programs?

1 A. Okay, so when you become an independent affiliate  
2 you have to have a service to use, so yes, I have.

3 Q. Is each representative of TelexFree required to  
4 purchase a VIOP service?

5 A. Yes, because you have to get to know the product  
6 in order to sell it.

7 Q. Is that a requirement of TelexFree though?

8 A. No, you're not -- they don't require it, but --  
9 but it makes sense.

10 Q. Okay, understood.

11 (BY MR. LEONE)

12 Q. Do you receive any additional income based on  
13 purchasing a VOIP program for yourself?

14 A. Can you reformulate the question?

15 Q. Are you eligible for other income streams by  
16 purchasing a VOIP program for yourself?

17 A. No.

18 Q. Did you use the VOIP program that you purchased  
19 for yourself?

20 A. Yes.

21 Q. How many VOIP programs did you purchase for  
22 yourself?

23 A. One that I use every -- every month.

24 (BY MR. O'HARA)

1 Q. Every month you repurchase the VIOP service?

2 A. Yes.

3 Q. When a representative of TelexFree purchases a  
4 VIOP service do you pay \$49.95 for that?

5 A. Yes.

6 Q. When a TelexFree representative such as yourself  
7 buys the VIOP service do you receive a commission?

8 A. Yes.

9 Q. When a TelexFree representative such as yourself  
10 purchases the VIOP service are you permitted to  
11 pay for it through a transfer from your back  
12 office funds to TelexFree?

13 A. Yes.

14 Q. And going back to the commission, when the  
15 representative purchases a VIOP service for  
16 themselves, is the commission the same as if you  
17 were to make a sale to a retail unaffiliated  
18 customer?

19 THE INTERPRETER: Is the same as,  
20 did you say, as the commission --

21 MR. O'HARA: Same as.

22 (BY THE WITNESS)

23 A. Yes, it's the same as if it were a client, it's  
24 ten percent.

1 Q. Thank you. I think you testified that during your  
2 period as a representative of TelexFree you've  
3 purchased one VIOP package, has anyone else in  
4 your household purchased a VIOP package?

5 A. Yes, my wife.

6 Q. So, to be clear, is it correct for me to  
7 understand that each month you and your wife each  
8 buy a VIOP package?

9 A. Yes.

10 (BY MR. LEONE)

11 Q. And do you receive a ten percent commission every  
12 month that you or your wife purchase a VOIP  
13 package?

14 A. Yes.

15 (BY MR. O'HARA)

16 Q. Do you have any VIOP customers that purchase these  
17 VIOP packages on a monthly basis?

18 A. I had -- I had clients, or client in Brazil, but -  
19 -

20 THE INTERPRETER: I forget the name  
21 of it.

22 (BY THE WITNESS)

23 A. -- TelexFree closed, so no.

24 Q. When is the last month that you sold a VIOP

1 package to a client?

2 A. It was at the end of my contract.

3 Q. So, as I understand it, from your testimony, you  
4 currently do not own in your name a TelexFree  
5 promoter package?

6 A. No, I don't.

7 Q. Do you currently consider yourself a  
8 representative of TelexFree?

9 A. Yes, because my wife is a representative, so  
10 therefore I do consider myself to be.

11 Q. Your wife, as owning the promoter packages for  
12 TelexFree, is she a representative of TelexFree?

13 A. Yes, I do consider that she is, but she's not  
14 active, she doesn't sell, she doesn't bring in new  
15 people.

16 Q. Is it fair to say that, while your wife owns the  
17 promoter packages for TelexFree, that you are the  
18 one doing the work as the representative for these  
19 packages?

20 A. Yes.

21 Q. Under the promoter packages, Telex packages that  
22 are in your wife's name, when is the last time  
23 that she has sold VIOP services to retail clients?

24 MR. THEODOROU: So, when was the

1 last time an account was used to sell the  
2 VIOP package?

3 MR. O'HARA: Better way of saying  
4 it.

5 (BY THE WITNESS)

6 A. It was last year, four months ago.

7 Q. And were the purchasers of those VIOP packages  
8 residents in Brazil or the United States?

9 A. They live here.

10 Q. Regarding the promoter packages that you held in  
11 your name, why did you not renew those packages?

12 MR. THEODOROU: That's a good  
13 question.

14 (BY THE WITNESS)

15 A. Because the company said that I had to pay twenty  
16 percent of my earnings to them, so I felt that  
17 wasn't right, so I thought it would be better to  
18 open an account in my wife's name.

19 (BY MR. LEONE)

20 Q. Did you recruit your wife to join TelexFree as a  
21 promoter before you did not renew your packages?

22 THE INTERPRETER: Did you recruit  
23 her to what?

24 (BY MR. LEONE)

1 Q. Did you recruit your wife as a promoter of  
2 TelexFree before you did not renew your packages?

3 A. Yes, because I already knew I wasn't going to  
4 renew.

5 (BY MR. O'HARA)

6 Q. Can you tell us when your wife purchased her  
7 TelexFree promoter packages?

8 MR. THEODOROU: As best you can  
9 recall.

10 (BY THE WITNESS)

11 A. It was about two months prior to the -- my  
12 contract -- the term of my contract.

13 Q. When your contract terminated what was the total  
14 amount of the earnings that TelexFree would have  
15 taken twenty percent of in order to re-roll over  
16 your contract?

17 THE INTERPRETER: I'm sorry, could  
18 you just say the first part again? I'm  
19 sorry.

20 (BY MR. O'HARA)

21 Q. Okay, your testimony previously was that if you  
22 were going to roll over your contracts into  
23 another year you would have had to pay TelexFree  
24 twenty percent of your earnings?

1 A. Yes.

2 Q. So, at that point in time what was the dollar  
3 amount of your earnings that they were going to  
4 levy this twenty percent fee on?

5 A. 180,000.

6 MR. THEODOROU: The twenty percent  
7 would have been 180,000, right?

8 (BY THE WITNESS)

9 A. More or less, 180,000.

10 Q. I'm just doing some math in my head here, does  
11 that mean your earnings from TelexFree at that  
12 point in time was around \$900,000.00?

13 A. Yes, for one year, that's right.

14 MR. THEODOROU: And that's for  
15 2013, right?

16 THE WITNESS: (In English) Right.

17 MR. THEODOROU: All right.

18 (BY MR. LEONE)

19 Q. So, to clarify, that would be from the time that  
20 you purchased the packages in approximately 2012,  
21 to the time that it was up in a year, in 2013, or  
22 no?

23 MR. THEODOROU: It was for the year  
24 of 2013.



1 (BY THE WITNESS)

2 A. Yes.

3 MR. THEODOROU: Well, isn't it the  
4 amount was made in 2013, right, that's what  
5 you made --

6 THE WITNESS: (In English) It was  
7 one year, 2012 -- middle of 2012 --

8 MR. THEODOROU: Oh, so it includes  
9 also 2012?

10 THE WITNESS: (In English) Yes, the  
11 contract.

12 MR. THEODOROU: Oh, under the one  
13 year -- oh, you're right, I'm sorry, it's not  
14 the earnings for the year, --

15 MR. LEONE: Yes.

16 MR. THEODOROU: I didn't mean,  
17 Anthony, to cut you --

18 MR. LEONE: No, that's quite all  
19 right.

20 MR. THEODOROU: No, that clarifies  
21 it. So, it's not what the income was for  
22 2013, but what you made from the beginning of  
23 the contract?

24 THE WITNESS: (In English) Correct.

1 MR. THEODOROU: Right, all right.

2 (BY MR. LEONE)

3 Q. So, to back up, --

4 MR. THEODOROU: It's not income for  
5 tax purposes, it's the period of the  
6 contract.

7 (BY MR. LEONE)

8 Q. So, to back up, the twenty percent, what I'm going  
9 to call renewal fee, would have been on the term  
10 of the contract for a year, correct?

11 A. Yes.

12 Q. And so, in the year that you had the packages you  
13 earned \$900,000.00 roughly?

14 A. Yes.

15 Q. And to be clear, you had about twelve to fifteen  
16 packages during that year, correct?

17 A. Yes.

18 (BY MR. O'HARA)

19 Q. When your contract terminated in 2013 you had  
20 approximately \$900,000.00 in earnings on those  
21 accounts, correct?

22 A. Yes.

23 Q. What happened to that \$900,000.00 after your  
24 contract expired?

1 MR. THEODOROU: Well, hold on,  
2 rephrase it, it's not that he had a total of  
3 900, he had earned over time 900, right? Are  
4 you asking what happened to the 900 as he  
5 earned it? I think you're confusing the --

6 (BY MR. LEONE)

7 Q. Well, let's start with this, at the end of the  
8 year period did you have \$900,000.00 in your e-  
9 wallet?

10 THE INTERPRETER: Of the year, or  
11 the contract year?

12 MR. LEONE: The contract year.

13 THE INTERPRETER: Okay.

14 (BY THE WITNESS)

15 A. No.

16 Q. Were you taking money out as you went along?

17 A. Yes.

18 Q. How much money did you have in the e-wallet at the  
19 end of the contract year?

20 A. There wasn't a lot of money, because I knew the  
21 contract was coming to an end, so I tried to get  
22 the most out of the account, the maximum.

23 Q. What was the highest amount of money that you had  
24 in your e-wallet account during the year?

1                                   MR. THEODOROU: During the year of  
2                                   the contract?

3                                   MR. LEONE: Of the contract.

4                   (BY THE WITNESS)

5           A. I know that totally I took out \$300,000.00 from  
6           the -- more or less, from that account.

7           (BY MR. O'HARA)

8           Q. For the \$300,000.00 more or less that you took out  
9           of your TelexFree accounts, how would you take  
10          money out of a TelexFree account?

11          A. By e-wallet, and there were some people who wanted  
12          to get into the company, and I would -- they would  
13          give me the money, and I would pay it, and others  
14          that I helped because others who wanted to get in  
15          didn't have money, so I would pay for them.

16          (BY MR. LEONE)

17          Q. So, over the contract year you approximately  
18          brought in \$900,000.00 in revenue, correct?

19          A. Yes, total, yes.

20          Q. And during the contract year you transferred out  
21          approximately 300,000, correct?

22          A. Yes.

23          Q. So, what happened during the contract year to the  
24          other \$600,000.00 that you had earned?

1 A. 300,000 I sent -- no, sorry, I bought -- I wanted  
2 to help my family in Brazil, so -- so I bought in  
3 my mother's name, in Brazil, -- okay, I bought 200  
4 packages in my family's name, of the 1,425 kind,  
5 in the name of my mother.

6 MR. THEODOROU: In Brazil?

7 THE WITNESS: (In English) In  
8 Brazil.

9 (BY THE WITNESS)

10 A. And I sent 300,000 more dollars -- additional  
11 dollars, to buy a house.

12 (BY MR. NEELON)

13 Q. What is your mother's name?

14 A. R-O-S-E-L-I, Maria Dos, D-O-S, another word, S-A-  
15 N-T-O-S, Santos.

16 (BY MR. O'HARA)

17 Q. The 300,000.00 that you sent to Brazil to purchase  
18 your home or property, has that been converted to  
19 -- is it reais, the Brazilian currency? Has it  
20 been converted to the national currency of Brazil?

21 A. No, because I transferred the money, and it hadn't  
22 been converted yet, and two weeks went by, and  
23 then they closed down TelexFree in Brazil.

24 Q. So, is that \$300,000.00 in an e-wallet somewhere?

1 A. They're in the back office account in my mother's  
2 name, but we can't touch it.

3 (BY MR. LEONE)

4 Q. And that is because TelexFree in Brazil has been  
5 shut down?

6 A. Yeah, right, because the company shut down.

7 THE INTERPRETER: I said because of  
8 the authorities, and he said he doesn't know.  
9 Okay.

10 (BY MR. O'HARA)

11 Q. While this money that was intended for the home in  
12 Brazil, it is, I guess, stuck in your mother's  
13 TelexFree account, do you still intend to purchase  
14 the home through some other means?

15 MR. LEONE: Let me jump in, Tim.

16 (BY MR. LEONE)

17 A. The \$300,000.00 that you transferred to buy a  
18 house in Brazil, that is separate than the money  
19 you transferred to the Brazilian TelexFree,  
20 correct?

21 Q. Yes.

22 MR. THEODOROU: But hold on, the  
23 money for your mother has been seized, right,  
24 the Telex was closed, right? That was in the

1 Telex in Brazil, right?

2 THE WITNESS: (In English) Right.

3 MR. THEODOROU: The money for the  
4 home though, where is that money, for the  
5 house? That's been seized too, right? No?

6 THE INTERPRETER: Is there a  
7 question?

8 MR. O'HARA: Yes, I believe --

9 MR. LEONE: Counsel asked a  
10 question.

11 MR. THEODOROU: Yes, I'm trying to  
12 clarify the record. The money for your  
13 mother is in a Telex account in Brazil seized  
14 -- closed, right?

15 (BY THE WITNESS)

16 A. Yes.

17 MR. THEODOROU: The money for the  
18 house, has that been taken too?

19 (BY THE WITNESS)

20 A. Yes.

21 MR. THEODOROU: Where is that?  
22 Where is that money?

23 THE WITNESS: (In English) Back  
24 office.

1                   MR. THEODOROU: Back office, so  
2                   there's money in your mother's account in  
3                   Brazil, and there's money in a back office  
4                   account in Brazil that was seized? I'm  
5                   trying to --

6           (BY THE WITNESS)

7           A. No.

8                   MR. THEODOROU: Where is the money  
9                   for the house?

10          (BY THE WITNESS)

11          A. It's frozen.

12          (BY MR. O'HARA)

13          Q. In whose back office is it frozen in?

14          A. In my mother's account.

15          (BY MR. NEELON)

16          Q. So, just if I try to further clarify, is there a  
17               total of \$600,000.00 --

18                   MR. THEODOROU: Yes, that he  
19                   doesn't have an access to.

20          (BY MR. NEELON)

21          Q. Is there a total of \$600,000.00 frozen in Brazil  
22               right now?

23                   MR. THEODOROU: Good question.

24          (BY THE WITNESS)



1 A. Yes.

2 Q. Okay.

3 MR. THEODOROU: All right, so  
4 that's relevant.

5 (BY MR. LEONE)

6 Q. And could you describe how much money, and where  
7 that \$600,000.00 is frozen in Brazil?

8 THE INTERPRETER: Where and how?

9 (BY THE WITNESS)

10 A. It's in the -- it's in the hands of the Brazilian  
11 government.

12 MR. THEODOROU: I just wanted to  
13 clarify the record on that.

14 MR. O'HARA: We appreciate it.

15 MR. THEODOROU: It is relevant that  
16 he does not have access to any of it.

17 MR. O'HARA: Thanks for the  
18 clarification.

19 MR. THEODOROU: It was not spent.

20 (BY MR. O'HARA)

21 Q. I would just briefly like to go back to the  
22 \$300,000.00 that you testified that you did take  
23 out of your Telex accounts. The \$300,000.00 that  
24 you took out, did you convert that to U.S. dollars

1 or the equivalent? I mean, like a bank account,  
2 or something like that. Was it converted to U.S.  
3 dollars, either cash, or at a banking institution?  
4 I'll rephrase it. The \$300,000.00 you've  
5 testified as taking out of your Telex accounts  
6 here in the United States, was that \$300,000.00  
7 converted to cash?

8 MR. THEODOROU: You mean including  
9 a bank account?

10 (BY THE WITNESS)

11 A. Part went to my bank, and part went to payment of  
12 invoices. When people want to come in they pay me  
13 to do it, but if they don't have money I pay for  
14 them.

15 Q. If you paid for them would you be reimbursed for  
16 paying for them?

17 A. Some yes, some no.

18 Q. So, basically your testimony, the way I'm  
19 understanding it, of that \$300,000.00  
20 approximately \$150,000.00 was transferred to your  
21 bank account, and another 150 was used to pay  
22 invoices for people that were either buying  
23 packages from you, or you were giving them  
24 packages?

1 A. No, I think it was more like 250,000 and 50,000.

2 (BY MR. LEONE)

3 Q. 250,000 into the bank, and about 50,000 to pay for  
4 other invoices?

5 THE INTERPRETER: Right. Sorry.

6 (BY THE WITNESS)

7 A. Right, correct.

8 (BY MR. O'HARA)

9 Q. Thank you for the clarification on those points.

10 MR. LEONE: The time is now 2:30,  
11 why don't we go off the record here for five  
12 minutes and take a break?

13 (Off the record at 2:30 p.m.)

14 (On the record at 2:37 p.m.)

15 MR. O'HARA: We're back on the  
16 record, the time is 2:37 p.m.

17 (BY MR. O'HARA)

18 Q. I would like to move on to the topic of recruiting  
19 TelexFree promoters. As a representative of  
20 TelexFree did you actively search for new  
21 promoters to join TelexFree?

22 A. Yes.

23 Q. And how would you go about finding new TelexFree  
24 promoters?

1 A. By sending out emails, and by contacting people  
2 that I would call in Brazil, and then they would  
3 come back to me.

4 Q. If I understand your response correctly, are you  
5 saying that the people you would be contacting to  
6 become promoters were residents of Brazil?

7 A. Yes, yes, they spoke the same language I did.

8 Q. Did you ever search for promoters in  
9 Massachusetts?

10 A. No.

11 Q. Have you ever recruited an individual to be a  
12 promoter who was a resident of Massachusetts?

13 A. Yes.

14 Q. How many Massachusetts residents did you  
15 successfully recruit to become promoters of  
16 TelexFree?

17 A. Few.

18 Q. When you say a few, do you --

19 A. Some, a few.

20 Q. More than ten?

21 A. Yes.

22 Q. More than twenty people?

23 MR. THEODOROU: How many people he  
24 sought as a promoter, as opposed to people

1                   who signed up?

2           **(BY MR. LEONE)**

3           Q.   Mr. Nassar, how many people have you successfully  
4               signed up in Massachusetts?

5                               **MR. THEODOROU:**  If you know.  How  
6               many people do you know if you signed up as  
7               promoters in Massachusetts?

8           **(BY THE WITNESS)**

9           A.   Promoters, a maximum of ten, but promoters and  
10           people that sell VOIP, the VOIP, the two things  
11           together, more than ten.

12           **(BY MR. O'HARA)**

13           Q.   I'm having difficulty understanding the response,  
14           are you breaking this down between TelexFree  
15           promoters that you found that never sold the VIOP  
16           services, and those that became promoters and sold  
17           the VIOP services?

18           A.   No.  Okay, I'm dividing it into those that came to  
19           me and said how do I make more money with  
20           TelexFree, extra money, and those who came to seek  
21           me out because the product itself was cheap,  
22           inexpensive, because telecommunications are  
23           expensive in Brazil.

24           Q.   So, for those that came to you wanting to make

1 more money through TelexFree, how many of those  
2 people were Massachusetts residents?

3 A. Less than ten.

4 Q. And how did you find those people?

5 A. Through the church, and via the phone.

6 Q. When you say through the church, what do you mean  
7 by that?

8 A. Friends that I had at church.

9 Q. And these people, when you say that came to you to  
10 find out how they could make more money through  
11 TelexFree, these are people that ultimately became  
12 promoters of TelexFree, is that correct?

13 A. Yes, they became promoters.

14 Q. And to be clear, your testimony is that that is  
15 less than ten people total?

16 A. Yeah that I -- that I recall, yes.

17 (BY MR. LEONE)

18 Q. Do you keep a record of the promoters that you  
19 have brought on from Massachusetts?

20 A. No, it's all in the back office that expired.

21 Q. And it expired because you did not renew your  
22 packages, correct?

23 A. Right.

24 (BY MR. O'HARA)

1 Q. Did you successfully recruit people from the  
2 United States, but not Massachusetts residents, to  
3 become promoters of TelexFree?

4 A. No, my focus was Brazil.

5 (BY MR. LEONE)

6 Q. Were you recruiting people to become promoters in  
7 Brazil after the Brazilian TelexFree was shut  
8 down?

9 A. No.

10 (BY MR. O'HARA)

11 Q. How many people from Brazil did you successfully  
12 recruit to become promoters of TelexFree?

13 A. More or less, a hundred.

14 Q. Did you recruit these individuals under your  
15 contracts, or the contracts that were in your  
16 wife's name?

17 A. Mine.

18 Q. Have you recruited any individuals from Brazil to  
19 become promoters under your wife's contracts?

20 A. No.

21 (BY MR. LEONE)

22 Q. Have you recruited any promoters through your  
23 wife's packages in Massachusetts?

24 A. Yes.

1 Q. And how many?

2 MR. THEODOROU: About how many?

3 (BY THE WITNESS)

4 A. Three or four, close friends.

5 (BY MR. O'HARA)

6 Q. The 200,000 promoter packages that you transferred  
7 to your mother in Brazil, did your mother keep all  
8 200,000 of those packages in her own name?

9 A. Yes.

10 (BY MR. LEONE)

11 Q. Have you ever made a presentation to recruit  
12 TelexFree promoters?

13 A. Yes, at the beginning I had some slides, so when  
14 people came to me and said what is this about I  
15 would show them from my computer, I would show  
16 them the slides on my computer.

17 Q. Would you show these individuals these slides in  
18 person on your computer?

19 A. Via the internet.

20 Q. And how would individuals know where to go to see  
21 this presentation?

22 A. They had a link to go to, and I would show them  
23 there where to go, it's a internet slide show  
24 tool.



1 Q. And did you create the slides?

2 A. No, that was TelexFree.

3 Q. So, to be clear, TelexFree provided you the slides  
4 that you presented?

5 A. Yes.

6 Q. Who from TelexFree provided you the slides that  
7 you used in your presentation to recruit  
8 promoters?

9 A. You could download it from their website.

10 Q. And could you give me an estimate of the time  
11 period that you gave this presentation?

12 MR. THEODOROU: What do you mean,  
13 time period?

14 (BY MR. LEONE)

15 Q. So, I believe you testified that you purchased  
16 packages in the summer of 2012, when did you start  
17 giving a presentation through the internet to  
18 recruit more promoters?

19 A. It was about three months after I got into this,  
20 and I came to know how to use the -- I learned how  
21 to do all of this, and that's when I started.

22 Q. To how many people did you give the online  
23 presentation?

24 A. I don't know, probably quite a few, there were

1 people who came and did -- saw the slide show, and  
2 then they didn't come back to me, so I don't know.  
3 I only know the ones that tried to contact me and  
4 called me afterwards.

5 Q. How long was the slide show that you used?

6 A. Twenty minutes.

7 Q. How many slides was it?

8 A. I don't know.

9 Q. Was it in Portugese?

10 A. Yes.

11 Q. Did you ever present a slide show in English?

12 A. No.

13 (BY MR. O'HARA)

14 Q. The slides are found on the TelexFree website, is  
15 that correct?

16 A. Yeah, at the beginning they were there.

17 (BY MR. LEONE)

18 Q. When you stopped with the packages was the  
19 presentation still up on the TelexFree website?

20 A. I don't remember.

21 (BY MR. O'HARA)

22 Q. Who informed you that there was a page on the  
23 TelexFree website that had the slide show  
24 presentation that you've been testifying to for

1 the past few minutes?

2 A. When I first started I went to the website, and I  
3 saw a button and I clicked on it, and that took me  
4 to the slides, and that's how I found out.

5 (BY MR. LEONE)

6 Q. Did anyone from TelexFree ever supervise your  
7 presentation?

8 A. No.

9 Q. Was anyone from TelexFree ever present while you  
10 were giving the presentation?

11 A. No.

12 Q. Did you ever present to potential TelexFree  
13 promoters with San Rodriguez?

14 THE INTERPRETER: With?

15 (BY MR. LEONE)

16 Q. Did you ever give a presentation with San  
17 Rodriguez to potential TelexFree promoters?

18 A. No.

19 (BY MR. O'HARA)

20 Q. Regarding the slide show presentation, did you  
21 ever display that presentation to more than one  
22 person at a time?

23 A. Yes.

24 Q. And just to clarify the question, did you display

1 the presentation in person to more than one person  
2 at a time on any given occasion?

3 A. No, I only did physical presentations one to one,  
4 but on the internet, when there were -- there was  
5 more than one person, we would take -- get an  
6 appointment, and then I would make a presentation  
7 to more than one person.

8 Q. When you were making a presentation via the  
9 internet would you have some sort of virtual  
10 conference set up?

11 A. Yes.

12 Q. And what was the largest number of attendees for  
13 one of these internet presentations?

14 A. At the beginning it was only one at a time, then  
15 it began to be like, two or three, and then they  
16 started inviting other people. So, there were  
17 days where I was presenting to more than forty  
18 people.

19 Q. And when you would have these internet  
20 presentations, presentations over the internet, do  
21 you know what country most of the participants  
22 would be from?

23 A. From the names that I saw, they were Brazilians.

24 Q. If somebody from Brazil wanted to become a

1 promoter through one of your presentations, how  
2 would they make the payment to you?

3 MR. THEODOROU: To him, or to  
4 Telex?

5 (BY THE WITNESS)

6 A. Nobody pays me.

7 Q. Who do they pay?

8 A. TelexFree Brazil.

9 Q. If they made their payment to TelexFree Brazil  
10 would they still be considered one of your  
11 recruits?

12 A. Yes.

13 Q. And would you receive a commission for their  
14 joining TelexFree Brazil?

15 A. Yes.

16 Q. Would you receive your commission in U.S. dollars?

17 A. Yes.

18 Q. For somebody that you recruited, they would be --  
19 correct me if I'm wrong, they would be a first  
20 level recruit as to you, is that correct?

21 A. Yes.

22 Q. If an individual promoter is a first level recruit  
23 to you are they a second level recruit to somebody  
24 above you?

1 A. Yes, the person who is above me -- the person you  
2 mentioned as the person below me first level would  
3 be a second level person to the person above me.

4 Q. Do you know who the person above you is?

5 A. San Rodriguez.

6 Q. And in that same chain, do you know, if you  
7 brought in a recruit they're your first level  
8 recruit, they're San Rodriguez's second level  
9 recruit, do you know whose third level recruit  
10 they are?

11 A. No.

12 Q. And --

13 A. The website doesn't show that.

14 Q. And you don't have any information from San  
15 Rodriguez as to who he is the first level recruit  
16 for?

17 A. No.

18 (BY MR. LEONE)

19 Q. Does TelexFree conduct any recruitment events?

20 A. Yes, the company itself does do recruiting events.  
21 It's not recruiting, it's training, training  
22 events.

23 Q. And how many training events does TelexFree put on  
24 per year?

1 A. They did one in Brazil and four here, two of which  
2 I attended.

3 Q. Which ones did you attend?

4 A. The two that were done in -- that were held in  
5 Massachusetts.

6 (BY MR. O'HARA)

7 Q. Were you required to attend any training?

8 A. No, it wasn't required.

9 (BY MR. LEONE)

10 Q. Does TelexFree hold any other events, besides  
11 training events?

12 A. Well, I know that they do meetings in hotels at  
13 night, but that's through the reps, not through  
14 the company itself.

15 Q. So, other than the training events, the company  
16 doesn't hold any other events for all promoters?

17 A. No, not that I know.

18 MR. THEODOROU: Well, did the  
19 company recently hold an event for new  
20 products?

21 THE WITNESS: (In English) Yes.

22 (BY MR. LEONE)

23 Q. And where was that event held?

24 A. It was in Massachusetts somewhere, I don't know

1           where.

2           Q.    Okay.

3           A.    In this area.

4           Q.    Okay.  Has the company, TelexFree, ever held any  
5           promotional events?

6                               MR. THEODOROU:  What do you mean by  
7           promotional?

8           (BY MR. LEONE)

9           Q.    Anything outside of the training type event, does  
10          TelexFree hold anything like that?

11          A.    That I know, no.  I know there was one in Europe,  
12          but I don't have any details on that.

13          Q.    There was one event?

14          A.    Yes.

15          Q.    Okay.

16          (BY MR. O'HARA)

17          Q.    Are you aware of any social events that TelexFree  
18          may have hosted?

19          A.    I know of one on a cruise ship in Brazil.

20          (BY MR. LEONE)

21          Q.    And when was that?

22          A.    It was some point last year.

23          Q.    Did you go on that cruise?

24          A.    No.



1 (BY MR. O'HARA)

2 Q. The training events that were here in  
3 Massachusetts that you testified to, do you know  
4 where they were held?

5 A. It was at a Boston hotel, but I -- somewhere near  
6 here, but I don't know the exact name.

7 Q. Do you know how recent that training event was  
8 held?

9 A. The last event that was held was last Sunday.

10 Q. Did you attend it?

11 A. No.

12 Q. Did you attend the other training event in  
13 Massachusetts?

14 A. No.

15 Q. Were the training events open to all TelexFree  
16 promoters?

17 A. Yes, anybody -- anybody who wanted to go could go,  
18 even if they weren't a -- he or she wasn't a  
19 promoter.

20 (BY MR. LEONE)

21 Q. Was there a fee charged to go to these events?

22 A. Not the ones I went to.

23 MR. THEODOROU: Was there a fee  
24 charged for the Sunday one you heard about?

1                   There was going to be a fee?

2           **(BY THE WITNESS)**

3           A.   Yes, there was a fee for that one, I think, it was  
4               150 -- 160 something, the one that was on Sunday,  
5               last Sunday.

6                   **MR. THEODOROU:**   And when we're  
7               talking about Sunday, we're talking about  
8               Sunday -- for the record --

9                   **MR. LEONE:**   March 9<sup>th</sup>.

10                  **MR. THEODOROU:**   March 9<sup>th</sup>?   Last  
11               Sunday?

12                  **THE WITNESS:**   (In English) Last  
13               Sunday, I don't know what date.

14                  **MR. LEONE:**   Sunday, March 9<sup>th</sup>, we'll  
15               agree on that for now, we'll check a  
16               calendar.

17           **(BY MR. O'HARA)**

18           Q.   You said that it was free to attend the TelexFree  
19               events that you attended, what TelexFree events  
20               did you attend?

21           A.   It was more than a year ago, I don't remember.

22           Q.   What was the purpose of the event?

23           A.   Teach people how the product worked, and how the  
24               bonus system worked for those that would become

1 promoters.

2 Q. Did you attend an event to provide information to  
3 the attendees, or were you there strictly as an  
4 attendee, learning from the event?

5 A. I went there to learn more about the product.

6 Q. Regarding recruitment, did TelexFree place any  
7 limits on how many individuals you could recruit  
8 as promoters for the company?

9 A. No.

10 Q. For the individuals that you successfully  
11 recruited to TelexFree to become promoters, did  
12 TelexFree ever ask any questions about any of  
13 these individuals?

14 A. No.

15 Q. If you recruited somebody to become a promoter of  
16 TelexFree what information would have to be  
17 provided to TelexFree about that individual?

18 A. First and last name, email, address, a user name,  
19 a password, a second password, some social  
20 security document. So, here they would have to be  
21 the tax -- in Brazil the tax payer i.d. number.

22 Q. Okay. Were there ever any instances in which you  
23 recruited someone from Brazil that was a resident  
24 of Brazil, and they provided their address to

1 TelexFree as a Massachusetts address, instead of a  
2 Brazilian address?

3 A. Not that I know. When they sign up -- when they  
4 sign up to be promoters the information is sent  
5 directly to the company, I don't see it, but I get  
6 a message from the company saying that they've  
7 become a promoter.

8 MR. O'HARA: Okay, at this time we  
9 are going to introduce exhibit one for the  
10 record, I'll have it marked by the reporter.

11 (Whereupon the TelexFree Back  
12 Office website page was marked  
13 as Exhibit No. 1)

14 MR. O'HARA: Exhibit 1 is a one  
15 page document.

16 (BY MR. O'HARA)

17 Q. Have a look at it, Mr. Nassar

18 MR. THEODOROU: May I have this?

19 MR. LEONE: Counsel, if you don't  
20 write on the document then we'll recollect it  
21 --

22 MR. THEODOROU: Okay. Do we have  
23 any other exhibits?

24 MR. O'HARA: This is the --

1 MR. THEODOROU: So, I don't get the

2 -- okay.

3 (BY MR. O'HARA)

4 Q. Okay, Mr. Nassar, take a moment to review this  
5 document, and let me know when you're prepared to  
6 discuss it.

7 MR. THEODOROU: Yes, look at the  
8 document.

9 (BY THE WITNESS)

10 A. Okay.

11 THE INTERPRETER: He's ready.

12 (BY MR. O'HARA)

13 Q. All right, Mr. Nassar, this is a one page  
14 document, and when you look at this exhibit do you  
15 recognize the image in the top half of the  
16 exhibit?

17 A. Yes.

18 Q. Can you tell us what it is?

19 A. This is the back office page.

20 Q. So, you've seen this page, or something similar to  
21 it, before?

22 A. Yes.

23 Q. When you look at this exhibit there is, on the top  
24 left quadrant, there are three rows of icons, do

1           you see that?

2           A.   Yes.

3           Q.   Have you seen these icons before?

4           A.   Yes.

5           Q.   What I would like to do is go through each icon

6           and have you explain it, so I'll guide that.

7                       THE INTERPRETER:   Could I go to the  
8           bathroom, he says.

9                       MR. LEONE:   Sure.

10                      MR. O'HARA:   We'll go off the  
11           record, but before we go off the record,  
12           let's collect the exhibits.   So, we're off  
13           the record.

14                      (Off the record at 3:15 p.m.)

15                      (On the record at 3:23 p.m.)

16                      MR. O'HARA:   We'll go back on the  
17           record, the time is 3:23 p.m., we will  
18           reintroduce Exhibit 1.

19           (BY MR. O'HARA)

20           Q.   And Mr. Nassar, if you need to re-refresh your  
21           memory, or refresh yourself with this exhibit,  
22           please do.   Before we went off the record I  
23           believe I indicated that I would guide you through  
24           some of the icons that we see on the top lefthand

1 corner of this document. Looking to the first  
2 icon in the top row, far left, can you read that  
3 icon for me? Yes, that one that you're pointing  
4 to, correct.

5 A. Yeah, that's the advertise one.

6 Q. And you've seen that icon before?

7 A. Yes.

8 Q. Can you tell us what that icon does, or what it  
9 represents in the back office?

10 A. It opens three pages, the first one lets you  
11 choose which ad you want, they have already --  
12 they have remade ads that you can choose. And the  
13 other -- the next page is -- and the second page  
14 gives me a choice of sites where I can place the  
15 advertisement. Then the third page is where I  
16 tell the company where I put -- where I placed my  
17 ads.

18 Q. So, if you, as a representative, are going to  
19 place your ads for the day, is it fair to say it  
20 begins with selecting this icon?

21 A. Yes.

22 Q. And if you're sitting at a computer terminal, does  
23 it begin by double clicking this icon?

24 A. One click.

1 Q. One click, okay, thank you. Now, you testified  
2 earlier that there was another tool by Simples  
3 Telex that assists you in placing ads on a daily  
4 basis?

5 A. Yes.

6 Q. Now, if you're using Simples Telex to post your  
7 ads online is there any reason to click on this  
8 advertise icon in your back office?

9 A. Yes, to confirm that the ad is there.

10 Q. Okay. So, when you use this icon here -- let me  
11 just recap I think what I've heard, and let me  
12 know if I'm mistaken on any points, you use one  
13 page to select the ad you want to upload to the  
14 internet, you use the second page to select which  
15 site, the third page to report to TelexFree, and  
16 then there's also some other way to confirm that  
17 your advertisement was indeed posted to some  
18 destination on the internet?

19 A. Yes.

20 Q. Thank you. We'll move on to an icon in the second  
21 row, the first one to the left. Can you tell me  
22 what that icon is? Exactly, the one you're  
23 pointing to, correct.

24 A. That was the presentation you could download.



1 Q. Is it correct to say that this icon would be in  
2 everyone's back office?

3 A. Yes.

4 Q. And you had the ability to disseminate the  
5 presentation that this icon, I suppose, opens up  
6 to people outside of TelexFree?

7 A. Yes, because he could download it to his desktop.

8 Q. Okay, thank you. Is it just one presentation that  
9 this icon opens up for you?

10 A. No, there was only one.

11 Q. Thank you. Looking then to the icon to the right  
12 of that, the second row, the second icon from the  
13 left, to be more specific, do you see that icon,  
14 sir? Correct, the one your thumb is pointing to.  
15 Can you tell us what that icon is?

16 A. Those are when you have promoters.

17 Q. So, can you describe, if you were to open up this  
18 icon, or click on it, what would you see?

19 A. I see up to my third tier, and next to that are  
20 the itemizations of how much you have overall.

21 Q. And by itemizations, can you describe how this  
22 information is itemized?

23 A. It's going to say whether I have ten, or twenty or  
24 thirty people.

1 Q. And if you were to open up this icon would you be  
2 able to download the information or print the  
3 information out?

4 A. You can print it, you can print it, any of these  
5 pages that you open you can print.

6 Q. Okay, thank you.

7 (BY MR. LEONE)

8 Q. Do you see an icon directly below the one that we  
9 were just discussing?

10 A. Mm-hmm.

11 Q. You do?

12 A. Yes.

13 Q. And what is that icon?

14 A. That's a franchise that TelexFree bought to open  
15 in Brazil.

16 (BY MR. O'HARA)

17 Q. If you clicked on that icon what would happen?

18 A. That would not open anything.

19 Q. Do you know why this image appears in one's back  
20 office?

21 A. Because they said that they had bought a Best  
22 Western franchise in Brazil or -- yeah, they had  
23 bought -- the company said they had bought a Best  
24 Western franchise in Brazil.

1 (BY MR. LEONE)

2 Q. And so, why would there be an icon in the back  
3 office?

4 A. I don't know.

5 (BY MR. NEELON)

6 Q. Were you ever able to click that icon?

7 A. I'm not sure.

8 (BY MR. LEONE)

9 Q. Besides the back office, had you ever heard of a  
10 relationship between TelexFree and Best Western  
11 before?

12 A. No.

13 (BY MR. O'HARA)

14 Q. Do you know why TelexFree -- or scratch that. Do  
15 you have any idea of why a TelexFree promoter  
16 would be interested in the fact that TelexFree is  
17 part of a Best Western franchise?

18 A. Okay, because at the time Best Western said that  
19 if you became a promoter -- sorry, if TelexFree  
20 said that if you became a promoter you could have  
21 a -- you could get a room at Best Western -- you  
22 could buy -- okay, sorry, you could buy, you could  
23 buy a room at Best Western, and when the room was  
24 rented, that you would get a commission on it.

1 (BY MR. LEONE)

2 Q. I'm sorry, could you try again to describe the  
3 relationship between the promoters and the Best  
4 Western?

5 A. They didn't have a relationship.

6 Q. I believe you just testified that there was some  
7 sort of arrangement where promoters could receive  
8 a commission off of Best Western rooms, correct?

9 A. If they bought the room, it's a separate thing.

10 (BY MR. O'HARA)

11 Q. Do you know of any TelexFree promoters that bought  
12 a room at this Best Western that's being shown on  
13 Exhibit 1?

14 A. No.

15 (BY MR. LEONE)

16 Q. Do you know where this Best Western is?

17 A. All I know is that it's a hotel that's located  
18 here in the states.

19 Q. What does the word Tijuca mean?

20 A. Tijuca is a neighborhood in Rio De Janeiro, the  
21 state of Rio De Janeiro.

22 Q. So, I believe you testified that this Best Western  
23 is a hotel in the U.S., why would it have the name  
24 Tijuca?

1 A. Because the franchise of the hotel was going to be  
2 in this neighborhood of Tijuca.

3 Q. Okay, so the hotel was going to be in Tijuca,  
4 correct?

5 A. Yes, as far as I know.

6 Q. And so, when you say it was going to be there,  
7 were they building a hotel?

8 A. Yes.

9 Q. So, that hotel hadn't been built yet?

10 A. Right.

11 Q. So, how could a promoter receive a commission from  
12 buying a room in a hotel that hasn't been built?

13 A. I don't know.

14 (BY MR. NEELON)

15 Q. Do you know how much a promoter was required to  
16 pay in order to purchase a room?

17 MR. THEODOROU: Or would be  
18 required.

19 MR. NEELON: Would be required.

20 (BY THE WITNESS)

21 A. No.

22 Q. Do you know of any promoter that was involved in  
23 the TelexFree Best Western Tijuca?

24 A. No.

1 (BY MR. O'HARA)

2 Q. If a promoter that you had recruited to TelexFree  
3 purchased a room at the Best Western in Tijuca  
4 would you receive a commission?

5 MR. THEODOROU: What was it? Could  
6 you repeat that question?

7 MR. O'HARA: I'll do my best to  
8 repeat the question for you.

9 (BY MR. O'HARA)

10 Q. If a promoter that you had recruited at TelexFree  
11 had purchased a room at this Best Western in  
12 Tijuca would you receive a commission for that  
13 purchase?

14 A. I don't know.

15 Q. In the presentation that you disseminated to  
16 TelexFree promoters, or prospective promoters, was  
17 this Best Western TelexFree Tijuca referenced in  
18 that presentation?

19 A. No.

20 (BY MR. NEELON)

21 Q. How did you hear about the Best Western Tijuca  
22 opportunity?

23 MR. NEELON: Do you want me to  
24 repeat the question first?

1 THE INTERPRETER: He wanted to say  
2 something, just let me translate it for you.

3 MR. NEELON: Okay.

4 MR. O'HARA: Please, translate  
5 whatever he was saying.

6 THE INTERPRETER: Okay, he says  
7 just like you're asking me and going like,  
8 one by one, when we were with the company, we  
9 would look at this, and then we would get  
10 here and we would go like, what's this, and  
11 then we would ask people, and they would say  
12 no, no, no, this is something -- this is a  
13 hotel, Best Western, that's going to be built  
14 in the Baja De Tijuca, which is a  
15 neighborhood in Rio, and that's what they  
16 would say, going to be built.

17 (BY MR. NEELON)

18 Q. So, did anyone ever explain the opportunity to  
19 you, or what this icon meant?

20 A. Yes.

21 Q. And who explained that to you?

22 A. It was a representative in Brazil that I called.

23 Q. Do you remember his name?

24 A. No, I found his name on the internet, and there

1           was a -- I guess a PPT, a slide show, that showed  
2           this, with his name, on the internet.

3           Q.   Do you still have access to that slide show?

4           A.   No, it was right at the beginning.

5           (BY MR. LEONE)

6           Q.   And how many slides were in that slide show?

7           A.   It was on You Tube, and it showed slides, and  
8           there were slides about Best Western, and it would  
9           show the thing being built, a work site.

10          Q.   And what other information did the You Tube -- it  
11          was a You Tube video, is that what you said?

12          A.   Yeah, it was a PPT on You Tube.

13          Q.   Did the You Tube Power Point describe anything  
14          about investing?

15          A.   No.

16          (BY MR. NEELON)

17          Q.   Did the You Tube talk about what kind of returns  
18          you might see if you were to purchase a room?

19          A.   No, there was not that.

20          (BY MR. LEONE)

21          Q.   Did it say --

22                               MR. THEODOROU:   When you say  
23                               purchase a room, someone actually would buy  
24                               an interest in a room, or if they just got a



1 room for a night?

2 THE WITNESS: (In English) No,

3 they buy.

4 MR. THEODOROU: Okay.

5 (BY MR. LEONE)

6 Q. And I'm sorry to go over it again, but I'm a  
7 little confused, they would buy a room for a  
8 night? So, go online and reserve a room for a  
9 night?

10 A. No.

11 Q. No, then what would they buy?

12 A. You would buy the room, and it would be yours for  
13 life, like you buy a house, in this case you would  
14 be buying a hotel room, and when that -- when the  
15 hotel room was rented you would get your  
16 commission.

17 Q. Okay. Moving on, do you see an icon in the bottom  
18 righthand corner?

19 A. Yes.

20 Q. And what is that icon?

21 A. That's the e-wallet.

22 Q. And so, would you click on that icon to get to the  
23 e-wallet?

24 A. Yes.

1 Q. And would that icon take you to a different  
2 website?

3 A. Yes.

4 Q. And would that be the e-wallet site?

5 A. Yes.

6 Q. If we look on the righthand side of the back  
7 office, where it says network configuration, do  
8 you see that?

9 A. Yes.

10 Q. Below there's some words, one of them says binary  
11 qualification, and then consuming qualification,  
12 do you see those two?

13 A. Yes.

14 Q. What does binary qualification mean?

15 A. Binary qualification means that when you became a  
16 promoter you had to enter somebody in on the right  
17 side, and then somebody on the left side.

18 Q. And what would that give you?

19 A. Okay, so if the person came in -- paid in 339, I  
20 got twenty, and if they paid in 1,425 I got a  
21 hundred.

22 Q. And the words below that, consuming qualification,  
23 what do those mean?

24 A. When you got a VOIP account you were qualified.

1 Q. And what would you be qualified for?

2 A. To -- to -- to get the bonuses that you would get  
3 if you brought more people into the -- into the  
4 fold.

5 Q. And what were those bonuses?

6 A. They were those level -- those tier percentages of  
7 bonuses going from ten percent down to two  
8 percent.

9 Q. Would there be any other bonus for having both a  
10 binary qualification and a consuming  
11 qualification?

12 A. They paid me when I brought somebody in, when  
13 those people became clients, and when those people  
14 became promoters, and when those promoters brought  
15 in other people, clients or promoters.

16 Q. Did you ever receive any monthly bonuses?

17 A. No.

18 (BY MR. O'HARA)

19 Q. I would like to look at another icon, just from  
20 the bottom row far left. Do you see that icon,  
21 sir?

22 A. Yes, I see.

23 Q. Have you seen the icon before?

24 MR. THEODOROU: Bottom row?

1 MR. O'HARA: Yes, bottom row, far  
2 left.

3 MR. THEODOROU: Okay.

4 (BY THE WITNESS)

5 A. Yes.

6 Q. Can you tell us what that icon is?

7 A. That's my information.

8 Q. What happens if, Mr. Nassar, you were in your back  
9 office, or the one you used to have, and you  
10 clicked on that icon?

11 A. The same information that I saw when I signed up.

12 Q. Thank you. Now, if you look on that same row, the  
13 second icon from the right, do you see that icon?

14 A. Yes, I see.

15 Q. Have you seen this icon before?

16 A. I don't know, I doubt it -- I have my doubts about  
17 whether I've seen it or not.

18 Q. Do you know what would happen if you clicked on  
19 that icon?

20 A. No.

21 Q. Let's move over to the icon on the top row, the  
22 third icon from the left -- the middle icon, let's  
23 just say that, the one in the middle. Do you see  
24 that icon?

1 THE INTERPRETER: The one in the  
2 middle, he said.

3 (BY MR. O'HARA)

4 Q. The one in the middle.

5 A. (In English) My Ad Central.

6 MR. THEODOROU: My what?

7 THE WITNESS: (In English) My Ad  
8 Central.

9 (BY MR. O'HARA)

10 Q. Is that what you're reading it to mean?

11 A. Yes.

12 Q. Now, have you seen that icon before?

13 A. Yes.

14 Q. What happens if you click on that icon?

15 A. It gives you days of the week, all days of the  
16 week for the month, and if the ad was placed or  
17 not placed.

18 Q. Okay.

19 A. Or if the ad was placed, rather.

20 Q. Looking now to the second row, the far right icon.

21 A. This last one? Stock?

22 MR. LEONE: Yes.

23 (BY MR. O'HARA)

24 Q. Okay, sir, you're reading the icon to say stock

1 under it? Okay. Have you seen that icon before?

2 A. Yes.

3 Q. And if you click on that icon what would happen?

4 A. If I -- if I bought the 339 it shows me the twenty  
5 VOIP products, services, and if I bought the 1,425  
6 it shows me the fifty.

7 Q. So, fair to say, in other words, it's showing your  
8 stock of available VIOP packages to sell?

9 A. Yes.

10 Q. Now, on that same row, the middle icon, --

11 A. (In English) Statement.

12 Q. Okay, you're reading that icon to say statement?  
13 Okay. Have you seen that icon before?

14 MR. THEODOROU: Which row?

15 MR. O'HARA: Middle row, middle  
16 icon.

17 MR. THEODOROU: Okay.

18 MR. O'HARA: And the witness has  
19 said it says statement under it.

20 (BY MR. O'HARA)

21 Q. I'll just ask the question again, have you seen  
22 this icon before?

23 A. Yes.

24 Q. And if you were to click on this icon what would

1           happen?

2           A.   I don't remember exactly.  It's as if it were  
3           historic -- history, history.

4           Q.   Could you explain your answer a bit more, I don't  
5           think I understand what you mean by it's historic,  
6           or it's history?

7                       MR. THEODOROU:  Well, do you know,  
8           do you remember what happens if you click it?

9           (BY THE WITNESS)

10          A.   No, not exactly.

11          Q.   Okay.

12                       THE INTERPRETER:  I didn't  
13          translate --

14          (BY THE WITNESS)

15          A.   I don't remember exactly.

16          Q.   Okay, that's fair enough.

17                       MR. O'HARA:  What we'll do is we  
18          will now collect Exhibit 1.

19          (BY MR. LEONE)

20          Q.   Mr. Nassar, the back office that you just saw, the  
21          picture of it, was in English, correct?

22          A.   Yes, correct.

23          Q.   Could you change it to be in Portugese?

24          A.   Yes.

1 Q. And would your back office be in Portuguese?

2 A. Yes.

3 Q. So, the language would be different, but the icons  
4 would be similar, if not the same, correct?

5 A. Yes.

6 MR. O'HARA: We'll go off the  
7 record.

8 (Off the record at 3:57 p.m.)

9 (On the record at 4:10 p.m.)

10 MR. O'HARA: We'll go back on the  
11 record, the time is 4:10 p.m.

12 (BY MR. O'HARA)

13 Q. Mr. Nassar, have you ever met anyone from the  
14 TelexFree corporate office?

15 A. Yes.

16 Q. Who have you met from the TelexFree corporate  
17 office?

18 A. Carlos Wanzeler, W-A-N-Z-E-L-E-R.

19 Q. Have you met anyone, other than Carlos Wanzeler,  
20 from the Telex corporate offices?

21 A. The secretary.

22 Q. And what is the name of the secretary?

23 A. Kamila, K-A-M-I-L-A.

24 Q. Do you know her last name?



1 A. No.

2 Q. What does Carlos Wanzeler do for TelexFree?

3 A. He's part of the -- he's one of the directors.

4 Q. How do you know that?

5 A. I don't know.

6 Q. How many times have you met Mr. Wanzeler?

7 A. Twice.

8 Q. Going through each meeting with Mr. Wanzeler  
9 separately, can you tell us when you met him and  
10 why?

11 A. The first was when I was in a photo with him at  
12 one of the training sessions, and the other time  
13 was after the -- after I received the paper from  
14 here, the subpoena.

15 Q. Going back to the first time you met Mr. Wanzeler,  
16 I believe you said it was at a training event, is  
17 that correct?

18 A. Yes.

19 Q. Did you have a conversation with Mr. Wanzeler at  
20 this training event?

21 A. No, he was having his picture taken with other  
22 people, so I went up there to have my picture  
23 taken with him.

24 Q. The picture you had taken with Mr. Wanzeler, how

1 many other individuals were in the picture?

2 A. The people that were there, I don't know.

3 Q. The training event, what year and month did the  
4 training event take place that you met Carlos  
5 Wanzeler at?

6 A. I know it was the beginning of 2013.

7 Q. At the training event where you had your photo  
8 with Mr. Wanzeler did Mr. Wanzeler make any  
9 presentation at this training event?

10 A. He showed how -- he did a presentation on how the  
11 product worked.

12 Q. Do you recall approximately how long his  
13 presentation lasted?

14 A. Fifteen minutes.

15 Q. We'll move on to the second time you mentioned  
16 meeting with Mr. Wanzeler, when did the second  
17 meeting take place?

18 A. It was -- it was four days after I got the  
19 subpoena.

20 Q. And did you meet with Mr. Wanzeler in person?

21 A. Yes, I went to TelexFree and I met him.

22 (BY MR. NEELON)

23 Q. And did you reach out to Mr. Wanzeler after  
24 receiving the subpoena?

1 A. Yes.

2 (BY MR. O'HARA)

3 Q. And how did you reach out to Mr. Wanzeler?

4 A. I went to TelexFree, and I said that I had  
5 received the subpoena, and that I needed to talk  
6 to him.

7 Q. When you say you went to TelexFree, where did you  
8 physically go?

9 A. To Marlborough, to an address that I entered in  
10 the GPS.

11 Q. How did you find this address?

12 A. Website.

13 (BY MR. LEONE)

14 Q. The TelexFree website?

15 A. Yes.

16 (BY MR. O'HARA)

17 Q. Can you describe the physical location of the  
18 TelexFree office that you went to?

19 A. It's a building with various rooms, and one of the  
20 rooms the secretary is in, so you go in and you  
21 say that you need to resolve a problem, so she  
22 calls another secretary, and this secretary took  
23 me to a room and said what is the problem.

24 Q. In your response, the secretary that you're

1           referring to, is this the woman named Kamila?

2           A.   Yes, but there are others.

3           Q.   And did you meet Kamila in the offices of  
4           TelexFree?

5           A.   Yes.

6           Q.   In the office you met Kamila were there other  
7           people from TelexFree present in the office?

8           A.   Yes.

9           Q.   How many other people?

10          A.   Some four people.

11          Q.   Did you speak to any of these four people?

12          A.   No.

13          Q.   Did you recognize any of the other people in the  
14          office?

15          A.   No.

16          Q.   When you arrived at the TelexFree office, can you  
17          tell us what happened?

18          A.   I got to the office, then I spoke to the  
19          secretary, that I needed to deal with a problem,  
20          so another secretary came out, and she took me to  
21          a room, and I told her that I had received the  
22          subpoena, and I needed to speak to Carlos  
23          Wanzeler, so I waited a while, and then he called  
24          me over to another room.

1 (BY MR. NEELON)

2 Q. And what did Mr. Wanzeler say to you?

3 A. He asked me what the problem was, and I showed him  
4 the paper, the subpoena.

5 (BY MR. O'HARA)

6 Q. Jumping back real quick, the secretary that you  
7 told that you had a problem and you needed to  
8 speak with Mr. Wanzeler, do you know what her name  
9 was?

10 A. Kamila.

11 Q. Prior to that secretary, I think you said you  
12 spoke with a previous secretary, do you know what  
13 her name is?

14 A. No.

15 Q. Okay. Now we'll go back to what you were  
16 testifying to about your meeting with Mr.  
17 Wanzeler, how long did you wait for Mr. Wanzeler  
18 to come into the room that you were waiting in?

19 A. Some twenty minutes.

20 Q. Do you know if Mr. Wanzeler was in the TelexFree  
21 offices when you arrived?

22 A. I don't know.

23 Q. When Mr. Wanzeler first entered the room that you  
24 were waiting for him in what happened?

1 A. He called me to go to another room.

2 Q. Was the other room that you went to Mr. Wanzeler's  
3 office?

4 A. No, because it was all empty, there were no --  
5 there were no personal belongings of his.

6 Q. Can you describe the room that you met Mr.  
7 Wanzeler in?

8 A. It's very much like the one we're in.

9 Q. During the time you were in the offices of  
10 TelexFree did you see any of the other rooms that  
11 were in the office suite?

12 THE INTERPRETER: Other rooms?

13 MR. O'HARA: Were there other rooms

14 --

15 THE INTERPRETER: Offices.

16 (BY THE WITNESS)

17 A. Yes, there are various offices in the building.

18 Q. Sure, in the building, but what about in the  
19 specific suite of offices that contain the  
20 TelexFree work area?

21 A. Yes, TelexFree is like this building, it has many  
22 rooms.

23 Q. And the rooms in the TelexFree offices, were they  
24 similar to the room that you were meeting Mr.

1 Wanzeler in?

2 A. It was like that -- we didn't go out anywhere  
3 else.

4 Q. All right. The room that you had your meeting  
5 with Mr. Wanzeler in -- can you describe what  
6 happened at your meeting with Mr. Wanzeler?

7 A. You mean what we talked about?

8 Q. Yes, exactly.

9 A. I showed him the paper, he said that the state had  
10 already -- he said the state had already asked if  
11 they could -- it could interview some promoters in  
12 April, 2013, and that another person had already  
13 gone there with this paper, with the subpoena, to  
14 show him the subpoena.

15 Q. What else did he say?

16 A. He told me that I would not need a lawyer.

17 (BY MR. LEONE)

18 Q. Did he say who the other person was that showed  
19 him the paper?

20 A. No.

21 (BY MR. O'HARA)

22 Q. Did Mr. Wanzeler offer to retain a lawyer for you,  
23 should you want one?

24 A. Yes.

1 Q. And did you accept his offer?

2 MR. THEODOROU: Did he recommend a  
3 lawyer?

4 MR. O'HARA: I believe my question  
5 was -- I could be wrong, but I believe my  
6 question was did Mr. Wanzeler offer to retain  
7 a lawyer for --

8 MR. THEODOROU: Him, or the  
9 company?

10 MR. O'HARA: -- Mr. Nassar. No,  
11 for Mr. Nassar, if he wanted one.

12 MR. THEODOROU: Did he offer to  
13 recommend a lawyer to you?

14 THE INTERPRETER: May I ask a  
15 question?

16 MR. O'HARA: Let me rephrase it.

17 (BY MR. O'HARA)

18 Q. Did he offer to provide you with a lawyer, if you  
19 wanted one, in regards to the subpoena?

20 A. Yes.

21 Q. Did you accept his offer?

22 MR. THEODOROU: Him personally, or  
23 Telex to recommend?

24 (BY THE WITNESS)



1 A. Not at the time, because he said I wouldn't need  
2 it.

3 Q. Okay. Did you return to Mr. Wanzeler and ask him  
4 to provide a lawyer on your behalf?

5 A. Yes.

6 Q. And did he indeed provide you with a lawyer?

7 A. Yes.

8 Q. And during your conversation with Mr. Wanzeler did  
9 you ask him any questions?

10 A. No.

11 Q. So, your meeting with Mr. Wanzeler, is it fair to  
12 say you showed him the subpoena?

13 A. Yes.

14 Q. But you didn't ask him any questions about the  
15 subpoena?

16 A. I asked him what that -- what the paper was, and  
17 he said that somebody else had already -- had  
18 received one, and that the state had said that  
19 they were going to call some of the promoters,  
20 they said this in April, 2013, to provide  
21 information.

22 Q. And you didn't ask any further questions?

23 A. No, I was worried about what it was, but -- but  
24 that I -- that I didn't need a lawyer, but should

1 I need a lawyer, that he would pay for one, and he  
2 told me to say the truth, to say what I know.

3 Q. Is Mr. Wanzeler paying for your representation  
4 today?

5 MR. THEODOROU: Mr. Wanzeler, or  
6 Telex?

7 MR. O'HARA: Mr. Wanzeler, that's  
8 the question.

9 MR. THEODOROU: Is Mr. Wanzeler or  
10 Telex paying for any representation that you  
11 may be entitled to?

12 (BY THE WITNESS)

13 A. I don't know, it's a question of representation,  
14 he works for -- for Telex.

15 Q. Let me ask the question in another way. Are you  
16 paying for your representation here today?

17 MR. THEODOROU: You're going to get  
18 into privilege issues.

19 MR. O'HARA: If you want to advise  
20 your client on such an issue --

21 MR. THEODOROU: Yes, I'm going to  
22 advise him -- we're going to invoke privilege  
23 on that.

24 MR. O'HARA: Attorney client

1 privilege?

2 MR. THEODOROU: Yes.

3 MR. O'HARA: Okay.

4 (BY MR. O'HARA)

5 Q. All right, how long did this meeting with Mr.  
6 Wanzeler last?

7 A. Five to ten minutes.

8 Q. Did you ask him why the state was requesting to  
9 speak with people from TelexFree?

10 A. Yes.

11 Q. And what did he say?

12 A. He said that the state had already called people  
13 in April of 2013.

14 Q. Did he say anything more than that?

15 A. No.

16 Q. Did you ask any further questions after receiving  
17 that response?

18 A. No, because he left me feeling calm about the  
19 situation.

20 (BY MR. NEELON)

21 Q. Mr. Nassar, what made you go back to Mr. Wanzeler  
22 to get representation?

23 MR. THEODOROU: Did you meet with  
24 him twice? Only once? Okay.

1 (BY MR. NEELON)

2 Q. Let me start again. You testified that you did  
3 not accept his offer for representation the first  
4 time when he offered it, at what point did you  
5 accept his offer for representation?

6 MR. THEODOROU: Okay, go ahead,  
7 there's another privilege I'm going to get  
8 into. Hold on before that answer comes out.

9 THE INTERPRETER: Okay.

10 MR. THEODOROU: Can I talk to my  
11 client?

12 MR. LEONE: Certainly.

13 MR. O'HARA: Sure.

14 MR. LEONE: Let's go off the record  
15 then.

16 (Off the record at 4:33 p.m.)

17 (On the record at 4:40 p.m.)

18 MR. LEONE: The time is now 4:40,  
19 and we are now back on the record. During  
20 our break we had a conversation with counsel,  
21 he would like to clarify one thing, and we've  
22 given him the opportunity to do so.

23 MR. THEODOROU: Did the company,  
24 Telex, recommend counsel to you?

1 (BY THE WITNESS)

2 A. (In English) Yes.

3 MR. THEODOROU: All right. Now,  
4 were you free to say no to the  
5 recommendation?

6 (BY THE WITNESS)

7 A. (In English) Yes.

8 MR. THEODOROU: All right. Now,  
9 did you have a discussion at some point with  
10 your wife?

11 (BY THE WITNESS)

12 A. (In English) Yes.

13 MR. THEODOROU: And without getting  
14 into what you discussed with your wife, after  
15 your discussion with your wife, did you  
16 retain counsel, get counsel?

17 (BY THE WITNESS)

18 A. (In English) Yes.

19 MR. THEODOROU: All right. I just  
20 wanted to go into that.

21 MR. LEONE: Okay, and Mr. Nassar,  
22 counsel just asked you a series of questions  
23 in English, did you understand all of those  
24 questions in English?

1 THE WITNESS: I understood them.

2 (BY MR. LEONE)

3 Q. Mr. Nassar, going back to an earlier topic for one  
4 moment, were you surprised when San Rodriguez  
5 emailed you in 2012?

6 A. Surprised? I was happy.

7 Q. And you hadn't spoken with him since 2006,  
8 correct?

9 A. Right.

10 Q. And so, after those approximately six years, did  
11 you question why he was getting back in touch with  
12 you via email?

13 A. We talked about things in life, and he asked me  
14 about -- we talked about things that had happened  
15 in the past, and he asked me if I -- if I had  
16 received all the money, if I had received it back  
17 -- gotten money back.

18 Q. When you say you talked about things in the past,  
19 what are you referring to?

20 A. About when I met him in Orlando at the  
21 presentation, and I had -- I invested money then,  
22 and then it closed.

23 (BY MR. NEELON)

24 Q. Did Mr. Rodriguez ever explain to you what

1           happened to the company back in 2006?

2           A.   He said that he ended up with no money at all, and  
3           that he was worried about whether people had  
4           really gotten their -- had actually gotten their  
5           money back.

6           (BY MR. LEONE)

7           Q.   Was he paying people their money back?

8           A.   No.

9           Q.   Who was?

10          A.   A lawyer.

11          (BY MR. O'HARA)

12          Q.   You met Mr. Rodriguez for the first time in  
13          Orlando in 2006, is that correct?

14          A.   Yes.

15          Q.   Between the time you first met Mr. Rodriguez in  
16          Orlando, and the closure of the company that you  
17          had put \$9,000.00 in, how frequently would you  
18          speak with Mr. Rodriguez?

19          A.   Can you ask the question again, please?

20          Q.   I will.  If I understood your testimony correctly,  
21          you first met Mr. Rodriguez in Orlando in or  
22          around 2006, is that correct?

23          A.   Yes.

24          Q.   I believe your testimony was then you invested

1           \$9,000.00, and shortly after that investment the  
2           company closed down, is that correct?

3           A.    Yes.

4           Q.    During the time period in between first meeting  
5           Mr. Rodriguez and the closure of the company, how  
6           frequently would you speak with Mr. Rodriguez?

7           A.    I only saw him presenting up front.

8           Q.    And then, if I understood your testimony  
9           correctly, is it correct to say that after Mr.  
10          Rodriguez's company closed, until 2012, you did  
11          not speak with Mr. Rodriguez, is that correct?

12                   MR. THEODOROU: To the best of your  
13                   recollection.

14                   THE INTERPRETER: Until 2012?

15           (BY MR. O'HARA)

16          Q.    Until the email that you received from Mr.  
17          Rodriguez in 2012.

18          A.    Correct.

19          Q.    And then, if I understood your testimony  
20          correctly, sometime in the summer of 2012 you  
21          received an email from Mr. Rodriguez inviting you  
22          and your family over to his family's house for an  
23          evening, or a dinner, is that correct?

24                   THE INTERPRETER: An email?



1 MR. O'HARA: I believe it was an  
2 email, from his testimony.

3 (BY THE WITNESS)

4 A. Yes.

5 Q. Between the closure of Mr. Rodriguez's company and  
6 the email you received in 2012 from Mr. Rodriguez,  
7 were you involved in any other sort of multi-level  
8 networking programs?

9 THE INTERPRETER: Until he got the  
10 email?

11 MR. O'HARA: Until he got the  
12 email.

13 (BY THE WITNESS)

14 A. Yes.

15 Q. What were the names of those multi level marketing  
16 programs that you were involved in during that  
17 time period?

18 A. Monavie, -O-N-A-V-I-E.

19 (BY MR. LEONE)

20 Q. Any others?

21 A. Just Been Paid.

22 Q. Any others?

23 A. No.

24 (BY MR. O'HARA)

1 Q. Was Mr. Rodriguez involved in any of the two multi  
2 level marketing programs you just mentioned?

3 A. Not that I know of.

4 Q. Have you heard of a company called WCM777?

5 THE INTERPRETER: WWW?

6 MR. O'HARA: WCM777.

7 THE INTERPRETER: Okay.

8 (BY THE WITNESS)

9 A. Yes.

10 Q. Do you consider that company a multi level  
11 marketing company?

12 A. Yes.

13 Q. So, you didn't mention that company in your  
14 previous response, did you?

15 MR. THEODOROU: You asked him if he  
16 heard of it, the other ones you said was he  
17 ever involved.

18 MR. O'HARA: Excuse me, you're  
19 correct, counselor.

20 (BY MR. O'HARA)

21 Q. Did you have any involvement in WCM777's multi  
22 level marketing program?

23 A. Yes.

24 Q. So, you had some participation in that program?

1 So, we have here, I think from your previous  
2 testimony --

3 MR. THEODOROU: He's getting  
4 tired.

5 MR. O'HARA: Okay.

6 MR. THEODOROU: It's been a long  
7 day. He asked you, besides dealing with  
8 Telex, what other multi level programs were  
9 you in, what were they? Go ahead.

10 (BY THE WITNESS)

11 A. I've been involved in them for a long -- ever  
12 since Brazil. Amway, which I knew twenty years  
13 ago, ever since -- so, I've gone through various  
14 companies to do with multi level marketing, but  
15 the first one with which I managed to make some  
16 money was TelexFree. I can give you a list of the  
17 companies.

18 Q. That was the question, between 2006 and 2012 what  
19 other multi level marketing companies were you  
20 involved in?

21 A. Monavie, Melaleuca, -E-L-A-L-E-U-C-A.

22 MR. THEODOROU: Okay, next?

23 (BY THE WITNESS)

24 A. Universal Private Bank. So, the thing is that you

1 can sign up with these companies, and it's free,  
2 you don't have to invest anything.

3 MR. THEODOROU: So, as best you can  
4 recall, give them a list, as best you can  
5 recall, give them a list of the names of the  
6 companies, as best you can. What other ones?

7 (BY THE WITNESS)

8 A. Zeek, with a Z, Zeek Rewards. There's one more,  
9 but I've forgotten the name.

10 MR. THEODOROU: Well, also there's  
11 Just Been Paid and Monavie and WCM77?

12 (BY THE WITNESS)

13 A. Mm-hmm, 777.

14 MR. THEODOROU: Can you recall any  
15 others right now?

16 (BY THE WITNESS)

17 A. Zeek Rewards.

18 MR. THEODOROU: Right, you already  
19 said Zeek Rewards, Universal Private Bank,  
20 Melaleuca, are there any others that you can  
21 remember right now?

22 (BY THE WITNESS)

23 A. (In English) No, no.

24 MR. THEODOROU: Right now you

1 can't?

2 (BY THE WITNESS)

3 A. (In English) No.

4 MR. THEODOROU: Okay.

5 (BY MR. O'HARA)

6 Q. Okay.

7 MR. O'HARA: No more questions,  
8 right? I guess one more.

9 (BY MR. O'HARA)

10 Q. The ones you just mentioned, the multi level  
11 marketing companies, did Mr. Rodriguez have  
12 involvement with those companies?

13 A. Universal Private Banking, he invited me to go  
14 into that.

15 Q. Approximately what year did he invite you to join  
16 Universal Private Bank?

17 A. It was a few months after I went into TelexFree.

18 Q. Okay. And currently, do you know where Mr.  
19 Rodriguez lives?

20 A. Well, I heard that he -- or I found out that he  
21 lived in Orlando.

22 Q. Okay.

23 MR. O'HARA: No more questions.

24 MR. THEODOROU: Can I consult with

1 my client?

2 MR. LEONE: Why don't we go off the  
3 record?

4 (Off the record at 4:54 p.m.)

5 (On the record at 4:55 p.m.)

6 MR. O'HARA: We'll go back on the  
7 record, the time is five to five. Mr.  
8 Nassar, the Enforcement Section is done with  
9 their questions today, so we now offer your  
10 attorney a chance to ask you questions to  
11 clarify any responses you gave during your  
12 interview today.

13 MR. THEODOROU: Mr. Nassar, you  
14 testified earlier about the one year contract  
15 that you had signed, correct?

16 (BY THE WITNESS)

17 A. (In English) Correct.

18 MR. THEODOROU: And most of the  
19 money that was made under that contract,  
20 almost all of it was made in 2013, correct?

21 (BY THE WITNESS)

22 A. (In English) Correct.

23 MR. THEODOROU: And you have not  
24 received your 1099 yet, which you will need

1 for your taxes on that money, correct?

2 (BY THE WITNESS)

3 A. (In English) Correct.

4 MR. THEODOROU: All right. You  
5 also mentioned that at some point you talked  
6 to your wife about issues, right, that we  
7 talked about earlier?

8 (BY THE WITNESS)

9 A. (In English) Right.

10 MR. THEODOROU: What was your  
11 wife's job in Brazil at one point?

12 (BY THE WITNESS)

13 A. (In English) A lawyer.

14 MR. THEODOROU: A lawyer, okay.

15 MR. O'HARA: Thank you.

16 MR. THEODOROU: Thank you, and no  
17 further questions at this time.

18 MR. O'HARA: All right. What we're  
19 going to do, we will now suspend the record,  
20 which means, Mr. Nassar, that the subpoena ad  
21 testificandum that ordered your appearance  
22 here today does remain open, and the Division  
23 reserves the right to call you back in for  
24 additional testimony.

1                   THE INTERPRETER: Can I see that?  
2                   It's difficult to do it without the -- okay.  
3                   MR. O'HARA: With that, we will go  
4                   off the record.  
5                   (Whereupon the On the Record Interview was suspended  
6                   at 4:57 p.m.)





C E R T I F I C A T E

I, GILSON NASSAR, do hereby certify  
that I have read the foregoing transcript of my  
testimony, and further certify that said transcript  
is a true, accurate and complete record of said  
testimony.

Dated at \_\_\_\_\_,  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014  
under the pains and penalties of perjury.

\_\_\_\_\_  
(Witness)

Sworn to and subscribed before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

C E R T I F I C A T E

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF PLYMOUTH, SS

I, Donna M. Botsch, a Professional Court Reporter and Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that the foregoing Statement of GILSON NASSAR was taken before me on March 13, 2014. The witness was duly sworn before the commencement of his testimony; that the said testimony was taken audiographically by myself and transcribed under my direction. To the best of my knowledge, the within transcript is a complete, true and accurate record of said On The Record Interview.

I am not connected by blood or marriage with any of the said parties, nor interested directly or indirectly in the matter in controversy.

In witness whereof, I have hereunto set my hand and Notary Seal this 14<sup>th</sup> day of March, 2014.

---

Donna M. Botsch,  
Notary Public

My Commission Expires:  
April 30, 2017

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